

ROUTE SLIP

Code of Originating Section Initialed by Date

SECTION Code	INITIALED		REMARKS
	BY	DATE	
7540	JW	1-28	
7540	EMC	1-28-44	
754	AM	1/29	
753	S	1/29	
753	PL	1/29	
			30 JAN 1944
			OK'D by C. E. N.
			E. L. Crabbe By direction of Chief of Bureau
DATE—SERIAL NUMBER			1220593
ENCLOSURES	FILE	CROSS FILE	FILE No.
HW	DATE		2 M / Seattle Tacoma
SC			

75-00000-1 ☆ U. S. GOVERNMENT PRINTING OFFICE: 1964

291-12

Third Endorsement
 Seattle-Tacoma (7547) 1st. STSG dated
 7 Dec 43 to BUSHIPS

20 January 1944

1/1
 1-28-44

FOURTH ENDORSEMENT

From: Chief of the Bureau of Ships
 To: The Assistant for Disbursing, Office of
 Supervisory Cost Inspector, U.S. Navy
 Exchange Building, 2nd Ave. NW, Marion St.,
 Seattle 44, Washington to BUSHIPS

30 JAN 1944

Subj: Request for reimbursement for repair to S.V. N.
 1. Facilities accidentally damaged by accidental
 explosion (Order 742). Contract EMB-779
 (Basic 1st. Seattle-Tacoma 22 Dec 43)
 Notes: BUSHIPS Insurance Division has been advised
 is the opinion of the Insurance Division that the
 loss has been covered by the Department.
 2. From a review of the opinion of the Office of Procure-
 ment and Material (Insurance Division), as expressed in the
 preceding endorsement, the Bureau approves the Contractor's
 invoice No. 4075 in the amount of \$4,742.21 for subject
 reimbursement.

H. L. Phelps
 By direction

Copy to:
 SUPERIP, Tacoma, Washington
 Seattle-Tacoma 22 Co.
 BUEANDA (Disb. div.)

BUSHIPS (6434)
 BUSHIPS (282)
 BUSHIPS (7547) 3-2618
 BUSHIPS (1537a) 3-2609

H. L. Phelps
 By direction of
 Chief of Bureau

ST-330/REP/CLS

Third Endorsement
on Basic ltr. STSC dated
7 Dec 43 to Buships

20 January 1944

To: Chief of the Bureau of Ships

Subj: Request for reimbursement for repair to U.S.N.
Facilities accidentally damaged by acetylene ex-
plosion (Shop Order 742). (Basic ltr Seattle-
Tacoma SB dated 7 Dec 1943 to Buships).

1. The loss described in the basic correspondence results from failure on the part of the contractor to protect, preserve, maintain and repair the facilities. The damage, however, constitutes a risk of the type customarily covered by insurance and it is the opinion of the Insurance Division that the loss results from a risk which has been assumed by the Department.

S. F. Procopio
Chief, Insurance Division

R. E. Phelps
By direction

SUPERVISOR OF SHIPBUILDING, USN

Seattle-Tacoma Shipbuilding Corp.

Tacoma, Washington

14 December 1943

(AF)

FJT:Ln
AIRMAIL

End-1 (Basic ltr. STSC dated Dec. 7, 1943 to BuShips)
To: Chief of the Bureau of Ships

1. Forwarded in accordance with paragraph 3 of reference (a).
2. Facts submitted in basic correspondence have been investigated by the Supervisor and found to be true. All damaged Government-owned property has been satisfactorily repaired by the Contractor and Contractor's invoice for \$4,748.21 has been audited and is correct.
3. It is recommended that the Government assume subject loss and reimburse the Contractor as per his invoice No.4095 attached herewith.

s/ J. L. McGUIGAN

CC: Office of Procurement and Material
(Two copiesw/cys basic ltr. and encls.)

12171577

1220593

REPRODUCED AT THE NATIONAL ARCHIVES
SEATTLE-TACOMA SHIPBUILDING CORPORATION

TACOMA, 1, WASHINGTON

December 7, 1943

From: Seattle-Tacoma Shipbuilding Corporation
Tacoma Division
Tacoma, Washington

To: Navy Department
Chief of Bureau of Ships
Washington, D.C.

Via: Supervisor of Shipbuilding, U. S. Navy
Tacoma, Washington

Via: Supervisor of Shipbuilding
U. S. Navy, Tacoma, Wash.

Subj: Request for reimbursement for repair to U. S. N. Facilities
Accidentally damaged by acetylene explosion (Shop Order 742)0

Ref: (a) Sec. Navy ltr. FLD/JK:vmc, dated July 19, 1943.

Encl: (a) Eight (8) copies of our invoice #4095.

1. Due to the cold weather on January 17, 1943, one of the acetylene lines on No. 8 Ways contracted and cracked. Acetylene gas escaping from the cracked line accumulated in the sub tool room located on No. 8 Ways. One of our employees entered the sub tool room at approximately 7:15 P. M. of the same day and snapped on a light switch. The spark from the light switch exploded the acetylene gas in and around the sub tool room.

2. The explosion damaged the sub tool room, the travel motor on the Whirley Crane, approximately 8,500 bd. ft. of 4 x 12 planking on the No. 8 Ways, the acetylene line and the Whirley tracks. The above property, which was damaged, was acquired by the U. S. Navy under Contract NObs-779.

3. As per U. S. Navy directive dated October 16, 1942, Government owned facilities are not insured.

4. All damages have been repaired by us at a total cost of \$4,748.21. This cost does not contain any profit.

5. Reference (a) establishes a method of reimbursement under Navy Contract providing for assumption by the Government of Risk of Loss or Damage to Government owned Property and of Liability to Third Persons, it is, therefore, requested we be reimbursed for the amount of \$4,748.21 as per our invoice #4095, eight copies of which are attached herewith for your approval.

Very truly yours,

SEATTLE-TACOMA SHIPBUILDING CORP.

s/ G. G. Kremer
General Chief Accountant

GGK:LLF:rb

12171577
1230593

Box 1003

RL 19

BUREAU OF SHIPS

General Correspondence
1944-45

QM/ Todd Pacific Shipyard,
Vol. 8 - Vol. 10

DEPTM

DATE

U. S. GOVERNMENT PRINTING OFFICE 16-20819-1

Section 764-D

QM/Todd Pacific S.(764-D)

RECEIVED
OCT 1944BUSHIPS End-2 on Todd Pacific ltr of 9 August 1944 to
BuShips via SupShip, Tacoma.To: Office Procurement and Material
(Insurance Division)Subj: Todd Pacific Shipyard, Inc., Tacoma, Washington, Contract
NObs-779 - Reimbursement for Repairs of Damage to City of
Tacoma Tide Flat Sub-Station Equipment; Request for.

1. Forwarded with the request that the Office of Procurement
and Material, Insurance Division, determine if the damage done to
the equipment at the Tide Flat sub-station of the City of Tacoma
results from the risk assumed by the Government.

P. H. G. [Signature]
By direction ofCC:
SupShip, TacomaP. H. G. [Signature]
By direction of
Chief of Bureau

10060598

NO. REP. RAY
4 October 1944

SPM

End-3 on Todd Pacific Tacoma
Contract NObs-779 ltr of
9 August 1944 to BuShips
via SupShip, Tacoma

To: Chief of the Bureau of Ships
(Code 150)

Reference: (a) BuShips ltr of 19 February 1944
to all SupShips et al. LL3-2(152)
EN28/A2-11

1. It is the opinion of this Division that the damage, as described in the basic correspondence, to the equipment of the City of Tacoma arising out of the operation of a Navy-owned crane, constitutes a risk assumed by the Department under the subject contract.

2. Attention is invited to the statement contained in paragraph 2(e) of reference (a), that where the contractor is engaged in cost-plus-a-fixed-fee work, payments on account of insured third-party claims will normally be charged to the contract for such work, rather than to the facilities contract.

S. F. Procopio
Chief, Insurance Division

R. L. Phelps
R. L. Phelps
By direction

10060588

SUPERVISOR OF SHIPBUILDING, U. S. NAVY

TODD PACIFIC SHIPYARDS INC. TACOMA DIVISION
TACOMA 2, WASHINGTON

L11-1
124(AF)VON:Rn

End-1 on Todd Pac ltr of 9 Aug 44

22 SEP 1944

To: Chief, BuShips

Subj: Reimbursement for repairs of damage to City of Tacoma
Tide Flat sub-station equipment; request for.

Ref: (a) SecNav ltr PLD/JK:vmc of 19 July 1943.
(b) Release from City of Tacoma, dtd 28 Aug 1944.

1. Forwarded. Supervisor has investigated the facts and finds them properly reported. Ref (b) is forwarded herewith as an additional enclosure.
2. The Supervisor recommends reimbursement.

By direction of SupShip:

V. C. Norton
V. C. NORTON

CC:

1. OP&M (Inc Div) w/2 copies of Invoice, 1 Release
2. TPSI-Tacoma (2)

Encl: (HW)

1. Copy of Ref (b).

9250735

TODD PACIFIC SHIPYARDS INC.

A SUBSIDIARY OF TODD SHIPYARDS CORPORATION

TACOMA DIVISION

FOOT OF ALEXANDER AVENUE

TACOMA 1, WASHINGTON

From: Todd Pacific Shipyards Inc.
Tacoma Division
Tacoma, Washington

August 9, 1944

To: Navy Department
Chief Bureau of Ships
Washington D. C.

1944 AUG 10 AM 10:54

Via: Supervisor of Shipbuilding U. S. Navy
Tacoma, Washington

Subject: Request for reimbursement for repairs for damage done
February 29, 1944 by our General Crane No. 121 to City of
Tacoma Tide Flat substation equipment.

Reference: (a) Secretary of Navy l tr. P1d/JK:VMC dated July 19, 1943.

Enclosure: (a) 8 copies of Invoice No. 7287

1. Crane No. 121 operating in storage lot, East side of Alexander Avenue and South of 11th street, rearranging reels stored there, struck a city of Tacoma power line, stranding the power line and burning out a transformer.

2. This damage was caused by a Government owned facility acquired under Contract NObs 779.

3. As per U. S. Navy directive dated October 16, 1942 government owned facilities are not insured.

4. The above damage was repaired by the city of Tacoma at a cost of \$1,772.22 which was paid on our Voucher 7-44-966.

5. Reference (a) establishes a method of reimbursement under Navy Contract providing for assumption by the Government of risk of loss or damage to Government owned property and of liability to third person. It is therefore, requested we be reimbursed for the amount of \$1,772.22 as per our Invoice No. 7287. Eight copies of which are attached herewith for your approval.

Very truly yours,
Todd Pacific Shipyards Inc.

by G. G. Kremer
General Chief Accountant

R. J. Butterfield
R. J. Butterfield
by direction

92507

cc H. F. Lalley
Navy Cost Inspector

GGK:LAW:bl

Code 7640D

TODD PACIFIC SHIPYARDS INC.

A SUBSIDIARY OF TODD SHIPYARDS CORPORATION

TACOMA DIVISION

FOOT BY ALEXANDER AVENUE
TACOMA 1, WASHINGTON

U. S. Government Bureau of Shipbuilding
Navy Department Washington DC
Via Supervisor of Shipbuilding
Tacoma, Washington

DATE August 8, 1944
INVOICE NO. 7287
YOUR ORDER NO. _____
DATE SHIPPED _____
VIA _____
F. O. B. _____
OUR ORDER _____
TERMS Net Cash

QUANTITY	DESCRIPTION	PRICE	AMOUNT
----------	-------------	-------	--------

RECEIVED BY
K. J. J. J.
OFFICE

For damage to city of Tacoma Sub station equipment, when crane No. 121, struck a power line, stranding it, and burning out a transformer, on February 29, 1944.

The above damage was caused by a U. S. Navy facility acquired under Contract 779.

As per U. S. Navy directive dated October 16, 1942, Government owned facilities are not insured.

City of Tacoma invoice No. 42118, covering this repair has been paid by Todd Pacific Shipyards Inc. on Voucher 7-44-966, amounting to \$1,772.22.

P. O. A-4273

Vo. 7-44-966

Section 764-B

ALB/djm
10-24-44

4/Todd Pac. (764-B)

To: Supervisor of Shipbuilding, USN
Todd-Pacific Shipyards, Inc.
Tacoma Division
Tacoma 2, Washington

Subj: Contract Wbs-779, Todd-Pacific Shipyards, Inc.,
Tacoma Division, Tacoma Washington - Damage to
City Owned Substation.

Ref: (a) Todd-Pac. ltr of 9 August 1944 to BuShips
Via SupShip, Tacoma.
(b) BuShips, Tacoma ltr Ind. L11-1 over
L24(AF)VCN:22 of 22 September 1944 to
BuShips.
(c) BuShips ltr L13-2(152) IN22/A2-11 of 19
February 1944 to all SupShips et al.

Incl: (A) Copy of OFAM Ind-2 on Todd-Pac. ltr of 9
August 1944 to BuShips Via SupShip, Tacoma.

1. In reference (a) the contractor states that Navy owned crane, number 121 struck a power line owned by the City of Tacoma and caused damage in the amount of \$1772.22. The damage was repaired by the city and paid for by the contractor. The contractor requests reimbursement for this expense.

2. By enclosure (A) the Office of Procurement & Material, Insurance Division, informs the Bureau that the damage constitutes a risk assumed by the Department under the subject contract. In paragraph 2 of enclosure (A) it is stated that where the contractor is engaged in cost-plus-a-fixed fee work, payments on account of uninsured 3rd party claims will normally be charged to the contract for such work rather than to the facilities contract.

3. In view of the statement of the Office of Procurement & Material, Insurance Division, the Bureau authorizes reimbursement to the contractor for the cost of repairs to the city-owned electric facilities in the amount of \$1772.22.

CC: Cost Inspector
OFAM (Ins. Div.)
Wanda - CIS

ALBrodhead
Room T3-2519
Code 7649D

RC 19 on Ships
Genl Comsp.

Box

1940-1945

1004

Qm/Todd Pacific Shipyard. Vol 11 to
Vol 14

file: Vol. 14

TAB 10-116

ROUTE SLIP

NBS 80A
NAVY DEPARTMENT
BUREAU OF SHIPS
NAVSHIPS (229)

CODE OF ORIGINATING SECTION

INITIALED BY

DATE

SECTION CODE	INITIALED		FILE NO.	ENCLOSURE <input type="checkbox"/> HW <input type="checkbox"/> SC	SERIAL No.
	BY	DATE			
765C	B. H. B.	1/25	7m Todd Pacific Supply 726-5		1181178

764 R/L 1/27/45 - 19 JAN 1945
 765 R/L 1/27 Mr. Hunter this field representative
 152 W.D. 1/29 reporting that Tacoma City High is
 760 R/L 1/30 152 W.D. Code 152 warns
 again stating that Warehouse & Dock
 308 R 3/1 are operated by the Navy. Recommend
 that Superior State facts only
 Beizer

152 W.D. 2/2 Is this ok? You recommend
 initial was, I believe, for another
 draft

308 R 4/2

241 ✓ ✓

3 FEB 1945

By direction of
 Chief of Bureau

☐ FILE

BY DATE

OK'D by C. E. N.

SM/Todd Pacific Shipyard
N26-t(766-CL)

3 FEB 1945

To: Supervisor of Shipbuilding, USN
Tacoma, Washington

Subj: TODD PACIFIC SHIPYARDS, INC., Tacoma, Wash.
(Contract NOLs-779) - Electric Rate Reductions.

Ref: (a) SupShip ltr N26(AF)VCH:Mn of 13 Jan 1945 to
BuShips.

1. In reference (a) the Supervisor outlined the status of current negotiations with Tacoma City Light for a reduction of electric rates and requested advice on the possibility of stating to Tacoma City Light that the Navy Commissioning Warehouse and Dock are operated by the Navy, thereby qualifying the metering of current for these facilities under an E-2 rate at an annual saving of \$15,000 over present charges.

2. In the opinion of the Bureau, the unqualified statement that the Navy Commissioning Warehouse and Dock is "operated by the Navy" is not strictly a fact, principally because this establishment is included as part of the facilities contract held by Todd Pacific Shipyards, Inc. However, the facts in the case fully justify the following statement which the Supervisor is authorized to make to Tacoma City Light:

"The Navy Commissioning Warehouse and Dock is Navy-owned and the Navy pays all expenses connected with its operation. A share of the actual operation is performed by the Contractor, while the Navy accomplishes the remainder; in both cases the supervision in all of its ramifications being the direct responsibility of the Navy."

CC:
BuDocs (C-6-1)

Philip Leader
By direction of
Chief of Bureau

Lt. Eason/ma
7-004
7-004

SUPERVISOR OF SHIPBUILDING, U. S. NAVY

TODD PACIFIC SHIPYARDS INC TACOMA DIVISION
TACOMA 2, WASHINGTON

N26(AF)VCN:Rn

12 JAN 1964

AIR MAIL

To: BuShips
Attn: Code 760

Subj: Electric rate reductions, Todd Pacific Shipyards Inc.,
Tacoma, Washington; information on.

1. BuDocks has been negotiating with Tacoma City Light for a reduction of electric rates for Todd Pacific Shipyards Inc., Tacoma, operating under Facilities Contract NObs-779, and Cost-Plus-Fixed-Fee contracts on shipbuilding. The City has refused BuDock's request for conjunctive billing as not in compliance with rate structures under ordinances, but has stated that an estimated saving of \$15,000.00 per year could be made by applying E-2 Rate to the meter at the Commissioning Warehouse and Dock, if requirements could be met.

2. In order to qualify for this E-2 Rate, the Supervisor would have to state that the Commissioning Warehouse and Dock is operated by the Navy, although it is an official part of Facilities Contract NObs-779 with Todd Pacific Shipyards Inc., Tacoma, Washington.

1181178

3. Navy Crews are checking and loading equipment and material at this location, but Contractor's employees also check and handle equipment and material and operate loaders, trucks and the elevator. Costs are paid by the Navy since contracts are Cost-Plus-Fixed-Fee.

4. The Bureau's advice is requested as to whether the Supervisor should state in a letter to Tacoma City Light that the Navy Commissioning Warehouse and Dock is Navy operated in order to qualify for the E-2 Rate.

By direction of SupShip:

V. C. Norton
V. C. NORTON

Comdr Fitzgibbon
of BuDocks C-6-1
Mr Hunter

SUPERVISOR OF SHIPBUILDING, U. S. NAVY
 Seattle-Tacoma Shipbuilding Corporation, Tacoma Yard
TACOMA, 2, WASHINGTON

JJ59(00)JLM:G:011

MAY 17 1944

End-1 to STSC, Tacoma, basic ltr
of 13 May 1944AIR MAIL

To: Chief of the Bureau of Ships
 Subj: Seattle-Tacoma Shipbuilding Corporation, Tacoma Division,
 Outfitting Pier #4 - Serious Condition of.

1. The subject matter as submitted in the basic letter has been further considered by the Superintending Civil Engineer of Area VIII (Captain A. D. Alexis, (CEC), U.S.N.) who concurs with the contractor's comment and specifically recommended that replacement be made with creosoted wood piles rather than encasing piles in concrete because of the slowness of this process and also the uncertainty of maintaining a reliable protection.

2. This office concurs in the contractor's recommendation and in the interest of interfering as little as possible with the construction program at Tacoma and recommends as follows:

(a) That Contract NObs-779 be amended to cover the work.
 (b) That the awarding of a cost-plus-fixed fee sub-contract be authorized to The General Construction Company to accomplish this work. The Superintending Civil Engineer of Area VIII concurs in this recommendation. The reasons for this recommendation are:

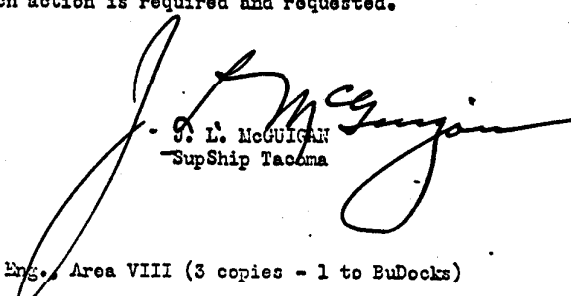
- (1) Expediency.
- (2) The coordination of this repair work with the ship construction program with a minimum of interference. The interference involved is not subject to estimate. During the period from August on when the work will be under way two to four large vessels will have to be berthed at this pier. The interference cannot be estimated with any degree of accuracy. If the work were handled as a lump sum contract the interference cost would be considerable and would result in differences of opinion detrimental to the war effort.
- (3) The General Construction Company is in a position to undertake the work immediately and has constructed all facilities undertaken on Contract NObs-779.

Am/Seattle-Tacoma SB *7/4*

5210375

(c) It is requested that the highest priority possible be obtained to get the necessary creosote piles which will amount to a total of approximately \$350,000 (4000 piles averaging approximately 90 feet each in length).

3. IMMEDIATE dispatch action is required and requested.


J. L. McGUIGAN
SupShip Tacoma

CC:
ComThirteen
Superintending Civil Eng., Area VIII (3 copies - 1 to BuDocks)
ROINC, Tacoma
NCI, Tacoma
STSC, Tacoma

5210375

SEATTLE-TACOMA SHIPBUILDING CORPORATION

TACOMA DIVISION
FOOT OF ALEXANDER AVENUE
TACOMA, WASHINGTON

May 13, 1944

From: Seattle-Tacoma Shipbuilding Corporation
Tacoma, Washington.

To: Chief of the Bureau of Ships, Navy Department
Washington, D. C.

Via: Supervisor of Shipbuilding, USN
Tacoma, Washington.

Subject: Seattle-Tacoma Shipbuilding Corporation
Tacoma Yard
Outfitting Pier #4 - Serious Condition of.

Enclosure: (A) Partial Data Obtained from Study and Investigation of
Condition of Piling in Outfitting Pier #4.
(B) Report from Professor Bror L. Grondal Relative to
Subject, dated May 13, 1944.
(C) Preliminary Cost Estimate of Reconstructing Outfitting
Pier #4.

1. The Contractor herewith submits Enclosures (A) and (B) for the Supervisor of Shipbuilding and Bureau of Ships, U. S. Navy Departments', immediate attention. The Contractor wishes to stress the seriousness of this situation as substantiated by Enclosures (A) and (B). Enclosure (C) is submitted by the Contractor as an approximate estimate of the cost for rebuilding Outfitting Pier #4. The Contractor requests money to be appropriated from such sources as the Government shall determine, and that the Contractor be instructed to proceed with the rebuilding of subject pier.

2. During February 1942, the Contractor was given authority by the United States Maritime Commission to proceed with the construction of additional shipbuilding facilities required for the purpose of building, converting and outfitting Escort Aircraft Carrier Vessels for the United States government. In order that this shipbuilding program might proceed with all possible speed, it was necessary that additional outfitting pier space and whirley crane facilities be made available for use as soon as possible. The Contractor commenced immediately to attempt to procure material necessary for the construction of a pier approximately 2800 feet in length by 125 feet in width. The Contractor made every practical attempt to obtain creosote treated piling for use in the construction of this pier, realizing that the pier was to be constructed in shipworm infested waters. However, satisfactory delivery, consistent with the shipbuilding program, could not be obtained from any of the creosoted piling suppliers in this area. After further investigation of the treated piling market, the Contractor

5210375

Page 2, Ltr of May 13, 1944, to ChBuShips, on Condition of Outfitting Pier #4.

- - - - -

was forced to agree to the use of a treated piling product known in this territory as Mineralized Cell Piling - a product of the Mineralized Cell Wood Preserving Company of Seattle, Washington, this product being a chemically treated piling. The results of this study were submitted to the Plant Engineer of the United States Maritime Commission for his approval. After proper consideration of the matter, the Maritime Commission representative gave his approval for the use of the Mineralized Cell Piling.

3. About the middle of April 1944, the Contractor replaced five broken fender piling in Outfitting Pier #4. While replacing these piling, that is, pulling the bad piles out, the Contractor broke or pulled the piles off just above the mud line. These piles were replaced by creosoted piling. A further study of the completely shattered piling showed that they were honeycombed by shipworm infection. With this discovery, the Contractor immediately set out to make a further study of this condition of the piling in Outfitting Pier #4.

4. On April 25, 1944, the Contractor employed the services of a diver for the purpose of making a spot check investigation of the condition of the bearing piles of Outfitting Pier #4. As a result of this investigation, the Contractor found that many of the bearing piles were apparently infected by shipworm attack.

5. On May 8, 1944, the Contractor began a very thorough investigation of the condition of the piling in Outfitting Pier #4. A summary of this investigation follows:

- (a) By means of a diver inspection the Contractor located good, bad and fair piles of the bearing type in subject pier.
- (b) Ten of these piling, some bad, some fair and some good were pulled and cut up into small sections for detailed study (See Enclosure (A)). The piling pulled, were replaced with creosoted piling.
- (c) The Contractor requested Professor Bror L. Grondal, Forest Products, College of Forestry, University of Washington, Seattle, to submit his comments relative to the seriousness of the attack, the probable length of piling life and other pertinent data pertaining to this situation in the form of a report (See Enclosure (B)).
- (d) During the course of this study and investigation the Contractor worked very closely with Lt. Comdr. W. R. Cuff, ROINC, Contract NObs-779, Bureau of Yards and Docks, USN.

5210375

REPRODUCED AT THE NATIONAL ARCHIVES
SEATTLE-TACOMA SHIPBUILDING CORPORATION
A SUBSIDIARY OF TODD SHIPYARD CORPORATION
TACOMA DIVISION
FOOT OF ALEXANDER AVENUE
TACOMA 1, WASHINGTON

Page 3, Ltr of May 13, 1944, to ChBuShips, on Condition of Outfitting Pier #4.

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- (e) Upon final completion of the study and investigation the Contractor will submit a formal report of findings to the Supervisor of Shipbuilding and Bureau of Ships for their information.
 - (f) As soon as practicable a study of all piling in other areas will be made.

6. In closing, the Contractor wishes to again emphasize the extreme seriousness of this situation and recommends that the Supervisor of Shipbuilding and Bureau of Ships take immediate action as requested in Paragraph (1) above. The Contractor also recommends that the highest possible priority be given to the procurement of the necessary materials required for the reconstruction of Outfitting Pier #4. The Contractor plans to reconstruct this pier with all possible speed, keeping interference with production to the very minimum, yet maintaining a safe operation, performing only such work as is necessary to maintain Outfitting Pier #4 as was originally intended and designed, and with methods that are the most practical and economical.

Yours very truly

SEATTLE-TACOMA SHIPBUILDING CORPORATION



O. A. TUCKER
Vice President and General Manager.

JAS
OAT:dm

Enclosures: (3)

5210375

✓

ENCLOSURE "C"PRELIMINARY COST FOR RECONSTRUCTION OF OUTFITTING PIER #4.

1. Cost of creosoted piling (approximately 4,000 piles)	\$350,000.00
2. Cost of driving piles, cutting off, placing, etc.	100,000.00
3. Cost of timber construction to include labor and material - such as tearing up and replacing decking, renewing worn out decking, removal of rails and replacement of rails, replacement of caps and stringers wherever necessary, etc.	125,000.00
4. Cost of maintaining utility service such as power, gas, light, air, water, whirley trolley, etc., including diver work	25,000.00
5. Construction fee (estimated)	25,000.00
6. Contingencies	<u>25,000.00</u>
TOTAL COSTS	\$650,000.00

NOTE: The Contractor's estimated cost as shown above is based upon replacement of approximately 4,000 piling of the total 6,000 piles in Outfitting Pier #4. The Contractor strongly feels that those piling driven above 0.00 tide (that is, mean lower low water) are not subject to so serious attack and will be sound for the duration of the war emergency. The Contractor will be watching the performance of these piling very closely and will advise the Supervisor of Shipbuilding and the Bureau of Ships if the performance proves faulty.

NAVSHIPS (250)
NDS TO
NAVY DEPARTMENT
(Rev. 6-43)

ROUTE SLIP

Code of Originating Section 76.5 Initialed by S. B. B. Date 5/28/44

SECTION CODE	INITIALED		REMARKS
	BY	DATE	
765	SB	5/24/44	Code 308 requests that this be expedited. Bayer
764	SB	5/24/44	
156	✓	✓	
157R	SB	5/24	For approval in draft form, pending
156	SB	5/25	receipt of information and to later SB (157R)
152	SB	5/25	File must change Jgb
157R	SB	5/29	
241	✓	Kick	

DATE—SERIAL NUMBER

ENCLOSURES	DATE	CROSS FILE	FILE No.
HW	6/9		Q 74 / Seattle Tacoma Shipbuilding
SC			

DEPARTMENT,
OF SHIPS

REFER TO FILE NO.

FBB:PW (765-Cf)

NAVY DEPARTMENT

BUREAU OF SHIPS
WASHINGTON 25, D. C.

MEMORANDUM

23 May 1944

To: Code 156.

Subj: Seattle-Tacoma Shipbuilding Co., Nobs-779 -
Replacement of Outfitting Wharf, #4.

1. The subject wharf was constructed in January, 1942 under a facility contract between United States Maritime Commission and Seattle-Tacoma Shipbuilding Co., at an estimated cost of \$750,000. At the time this wharf was constructed, creosoting plants were several months behind on their production and it was not possible to obtain piling so treated without delaying the wharf construction for two months. In lieu of creosote treatment the Maritime Commission approved a treatment known as Mineralized Cell Piling.

2. In April, 1944, while replacing a few broken fender piles in the outfitting wharf, the contractor discovered that the piles were honeycombed by shipworm infection. After this discovery, a study was made by spot-checking the piling in this wharf. This investigation revealed that all the piling was infected with shipworm except that which was driven above the 0.00 tide line. Although the piling is infected to various degrees, it is estimated that within one year the pilings that are now lightly infected will be in a very poor condition. Therefore, it is economically wise to replace all the infected piling at this time so that the removal and replacement of the decking will only be necessary once. The wharf, in its present condition, is a hazard because a heavy crane loading may come to bear on a defective bent and cause an accident which will result in the loss of material, time and life.

3. Since this yard is building CVE's and this wharf represents approximately one-half of the outfitting berths, it is not possible to discontinue operations on this wharf. Therefore, it is necessary to begin immediately to replace the piling. This will be accomplished by working on sections of the wharf and not disrupting the activity of outfitting ships along the entire length. Starting this work as soon as possible also fits in with the ship program since the outfitting load will be much heavier after August, 1944.

FROM BUREAU OF SHIPS, NAVY DEPARTMENT, WASHINGTON 25, D. C.

FBB:PW (765-Cr)

MEMORANDUM TO: Code 156

23 May 1944.

Subj: Seattle-Tacoma Shipbuilding Co., NObs-779 -
Replacement of Outfitting Wharf, #4.

4. Following is an estimate of the cost to reconstruct the subject pier:

1. Cost of creosoted piling (approximately 4,000 piles)	\$350,000.00
2. Cost of driving piles, cutting off, plasing, etc.	100,000.00
3. Cost of timber construction to include labor and material - such as tearing up and replacing decking, renewing worn out decking, removal of rails and replacement of rails, replacement of caps and stringers wherever necessary, etc.	125,000.00
4. Cost of maintaining utility service such as power, gas, light, air, water, whirley trolley, etc., including diver work	25,000.00
5. Construction fee (estimated)	25,000.00
6. Contingencies	<u>25,000.00</u>
Total	\$650,000.00

5. This replacement is the responsibility of the Government in accordance with Article 11 of NObs-779.

F.B.B.
5/24/44

BWB.

NAVY DEPARTMENT
BUREAU OF SHIPS

ROUTE SLIP

Code of Originating Section

Initialed by

Date

308

INITIALED

REMARKS

308 ✓ ✓

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7650 BWSB 6/10

Decrease in contract to

7640 B 4/10/44

SHORE FACILITIES FOR

file of wharf at BWSB

WN.V KN NR 248

M. OFFICE RECEIVED

RECEIVED

ROUTINE

A SCAR SUIT 022206 MOAT GR 385

FROM: SUSHIPS TACOMA WASH JUN 3 0 24 JUN 3 0 22

ACT: BUSHIPS

ROUTINE/NV

ATTN CAPT PHILIP LEMLER CODE 388

REFER MY ~~W~~ 312377 MAY X BY RETAINING PIER NO 4 ENTIRELY
OUT OF COMMISSION THE FOLLOWING WILL RESULT COLON

PAREN A PAREN THE FIVE WHIRLEY CRANES SHOULD BE DISMANTLED AND PLACED
IN STORAGE FOR WHICH ADDITIONAL STORAGE AREA WILL BE REQUIRED OR
PIER IN WAY THEREOF SHOULD BE RECONDITIONED X APPROXIMATE COST
\$500000 PLUS STORAGE COSTS X

PAREN B PAREN SERVICES X THE ELECTRICAL OXYGEN ACETYLENE AIR AND
WATER SERVICES SHOULD BE REMOVED AND REROUTED TO PRESERVE
THE CONTINUITY OF THE SYSTEMS X APPROXIMATE COST \$100000

PAREN C PAREN REARRANGEMENTS OF SHOPS AND OUTFITTING ACTIVITIES X
APPROXIMATE COST \$100000

PAREN D PAREN DISRUPTION OF OTHER FACILITIES - STRUCTURAL
PREFABRICATION TANK TESTING CLEANING ETC STORAGE AND OUTFITTING
ACTIVITIES X LOSS OF 340000 SQUARE FEET OF WORKING AREA X

PAREN E PAREN THE CONTEMPLATED EMERGENCY USE OF THIS ACTIVITY FOR
REPAIR PURPOSES WOULD HAVE TO BE POSTPONED INDEFINITELY X

PAREN F PAREN THE RESULTING LOSS OF OUTFITTING AND PREFABRICATION
EFFICIENCY IS ESTIMATED AT 30 PERCENT OR APPROXIMATELY \$750000
PER VESSEL WITH A TOTAL OF \$22000000 THE ESTIMATED
DELIVERY DATES BASED ON THIS CONDITION ARE AS FOLLOWS COLON

CVE105-143 11-1-44 TO 7-1-45

AS29 8-1-45

AS30 9-1-45

CVE114 10-1-45

AR15-16 11-1-45 TO 2-1-46

CVE115-127 3-1-45 TO 4-1-47

THESE DATES ARE CONSIDERED OPTIMISTIC X BY RECOMMENDING 2500 FEET
 OF THE 2500 FT PIER THREE CUES COULD BE BERTHED X THE
 FOLLOWING CONDITIONS WOULD RESULT CALON

PAREN A PAREN REARRANGEMENT OF SERVICES OUTFITTING ACTIVITIES A COST
 OF \$100000

PAREN B PAREN LOSS OF OUTFITTING EFFICIENCY OF 65 PERCENT OF
 APPROXIMATELY \$400000 PER VESSEL

PAREN C PAREN THE OVERALL EFFECT OF THE COMPLETION DATE WOULD BE
 TO HALVE THE DIFFERENCE BETWEEN THE PRESENT ESTIMATED
 COMPLETION DATES AND THOSE SUBMITTED PREVIOUSLY HEREIN
 AND WOULD RESULT IN THE COMPLETION OF THE PROGRAM BY

1 NOVEMBER 1944 X

THE CONDITION OF PIER NO 4 EXCLUSIVE OF THE PILING IS EXCELLENT X
 IF THE PILING IS NOT REPLACED THIS EXCELLENT MATERIAL WILL SOON BE
 USELESS X AN INDETERMINANT FACTOR IS THAT ON THE MORALE OF THE
 ENTIRE FORCE AS WELL AS OF THE COMMUNITY AND AREA X EVERY DAY THAT
 ACTION IS DEFERRED RESULTS IN SOME FURTHER DELAY TO THE PROGRAM
 NOW UNDER WAY AND MORE DEGRADATION TO THE PIER X
 IMMEDIATE CORRECTIVE ACTION STRONGLY CONCURRED IN BY CONTRACTOR
 RECOMMENDED BY 922286

TOT 2353/W 2 JUNE 44

001916 *Pushing*

THESE DATED ARE CONSIDERED OPTIMISTIC X BY RECONDITIONING 1800 FEET
OF THE 2800 FT PIER THREE CUES COULD BE BERTHED X THE
FOLLOWING CONDITIONS WOULD RESULT COLON
PAREN A PAREN REARRANGEMENTS OF SERVICES OUTFITTING ACTIVITIES AT COST
OF \$100000
PAREN B PAREN LOSS OF OUTFITTING EFFICIENCY OF 15 PERCENT OR
APPROXIMATELY \$400000 PER VESSEL

PAREN C PAREN THE OVERALL EFFECT OF THE COMPLETION DATED WOULD BE
TO HALVE THE DIFFERENCE BETWEEN THE PRESENT ESTIMATED
COMPLETION DATES AND THOSE SUBMITTED PREVIOUSLY HEREIN
AND WOULD RESULT IN THE COMPLETION OF THE PROGRAM BY
1 NOVEMBER 1946 X

THE CONDITION OF PIER NO 4 EXCLUSIVE OF THE PILING IS EXCELLENT X
IF THE PILING IS NOT REPLACED THIS EXCELLENT MATERIAL WILL SOON BE
USELESS X AN INDETERMINANT FACTOR IS THAT ON THE MORALE OF THE
ENTIRE FORCE AS WELL AS OF THE COMMUNITY AND AREA X EVERY DAY THAT
ACTION IS DEFERRED RESULTS IN SOME FURTHER DELAY TO THE PROGRAM
NOW UNDER WAY AND MORE DETERIORATION TO THE PIER X
IMMEDIATE CORRECTIVE ACTION STRONGLY CONCURRED IN BY CONTRACTOR
RECOMMENDED BT-022206

TOT 2353/UH 2 JUNE 44

001412

001412
JUS#195-101
N

WN V KN NR 248

A SCAR SUIT 022206 MOAT GR 385
 FROM: SUSHIPS TACOMA WASH
 ACT: BUSHIPS

ROUTINE/NV

ATTN CAPT PHILIP LEMLER CODE 308

REFER MY ~~REF~~ 312317 MAY X BY RETAINING PIER NO 4 ENTIRELY
 OUT OF COMMISSION THE FOLLOWING WILL RESULT COLON

PAREN A PAREN THE FIVE WHIRLEY CRANES SHOULD BE DISMANTLED AND PLACED
 IN STORAGE FOR WHICH ADDITIONAL STORAGE AREA WILL BE REQUIRED OR
 PIER IN WAY THEREOF SHOULD BE RECONDITIONED X APPROXIMATE COST
 \$50000 PLUS STORAGE COSTS X

PAREN B PAREN SERVICES X THE ELECTRICAL OXYGEN ACETYLENE AIR AND
 WATER SERVICES SHOULD BE REMOVED AND REROUTED TO PRESERVE
 THE CONTINUITY OF THE SYSTEMS X APPROXIMATE COST \$100000

PAREN C PAREN REARRANGEMENTS OF SHOPS AND OUTFITTING ACTIVITIES X
 APPROXIMATE COST \$100000

PAREN D PAREN DISRUPTION OF OTHER FACILITIES - STRUCTURAL
 PREFABRICATION TANK TESTING CLEANING ETC STORAGE AND OUTFITTING
 ACTIVITIES X LOSS OF 340000 SQUARE FEET OF WORKING AREA X

PAREN E PAREN THE CONTEMPLATED EMERGENCY USE OF THIS ACTIVITY FOR
 REPAIR PURPOSES WOULD HAVE TO BE POSTPONED INDEFINITELY X

PAREN F PAREN THE RESULTING LOSS OF OUTFITTING AND PREFABRICATION
 EFFICIENCY IS ESTIMATED AT 30 PERCENT OR APPROXIMATELY \$750000
 PER VESSEL WITH A TOTAL OF \$22000000 THE ESTIMATED
 DELIVERY DATES BASED ON THIS CONDITION ARE AS FOLLOWS COLON

CVE105-113 11-1-44 TO 7-1-45

AS29 8-1-45

AS30 9-1-45

CVE114 10-1-45

AR13-16 11-1-45 TO 2-1-46

CVE115-127 3-1-45 TO 4-1-47

UNCLASSIFIED

SCAR SUIT #22206 HOAT GR 5822

FROM: SUSHIPS PACMAN WASH
TO: SUSHIPS

ROUTINE

ATTN: CAPT PHILIP LEMER CODE 385

REF: NY 101 312317 MAY 8 BY RETAINING RIER NO 1 ENTIRELY

OUT OF COMMISSION THE FOLLOWING WILL RESULT COLON

PAREN A PAREN THE FIVE WHIRLEY CRANES SHOULD BE DISMANTLED AND PLACED IN STORAGE FOR WHICH ADDITIONAL STORAGE AREA WILL BE REQUIRED OR PIEN IN WAY THEREOF SHOULD BE RECONDITIONED APPROXIMATE COST \$50000 PLUS STORAGE COSTS X

PAREN B PAREN SERVICES X THE ELECTRICAL OXYGEN ACETYLENE AIR AND WATER SERVICES SHOULD BE REMOVED AND REROUTED TO PRESERVE THE CONTINUITY OF THE SYSTEMS X APPROXIMATE COST \$100000

PAREN C PAREN REARRANGEMENTS OF SHOPS AND OUTFITTING ACTIVITIES APPROXIMATE COST \$100000

PAREN D PAREN DISRUPTION OF OTHER FACILITIES STRUCTURAL PREFABRICATION TANK TESTING CLEANING ETC STORAGE AND OUTFITTING ACTIVITIES X LOSS OF 340000 SQUARE FEET OF WORKING AREA X

PAREN E PAREN THE CONTEMPLATED EMERGENCY USE OF THIS ACTIVITY FOR REPAIR PURPOSES WOULD HAVE TO BE POSTPONED INDEFINITELY X

PAREN F PAREN THE RESULTING LOSS OF OUTFITTING AND PREFABRICATION EFFICIENCY IS ESTIMATED AT 30 PERCENT OR APPROXIMATELY \$750000 PER VESSEL WITH A TOTAL OF \$22000000 THE ESTIMATED

DELIVERY DATES BASED ON THIS CONDITION ARE AS FOLLOWS COLON

CV105-145 11-1-44 TO 7-1-45

AS294 3-1-45

AS30 3-1-45

CV105-145 11-1-44 TO 7-1-45

AR13-16 11-1-44 TO 2-1-45

CV105-1272 3-1-45 TO 1-1-46

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REMARKS

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6/1/44

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U. S. GOVERNMENT PRINTING OFFICE 24-61343-6

WV V KN NR 7

RECEIVED

A SCAR SUIT 312317 MOAT GR/116 BT

ED

FROM: SUPSHIPS TACOMA WASH
ACT: BUSHIPS
ROUTINE/NZ

1944 JUN 1 1 26

ROUTINE

CODE 769

REUR TWX 311747 MAY X NO TWX RECEIVED 27 MAY X REPLY TO BUREAU TWX
291140 WAS MADE BY OUR 291986 QUOTE REUR TWX 291140 RE QUOTE SEVEN
BERTHS AVAILABLE AT LOCATIONS OTHER THAN WHARF NO 4 UNQUOTE X THREE
SHIPS CAN BE WORKED EFFICIENTLY FOUR SHIPS CAN BE WORKED
WITH FAIR EFFICIENCY BUT MORE THAN FOUR SHIPS CAN BWE WORKED ONLY WITH -
MATERIALLY REDUCED EFFICIENCY X ABSOLUTELY ESSENTIAL THAT
WHARF NO 4 BE REPAIRED FOR FULL LENGTH X IT IS NOT PRACTICABLE
AND ECONOMICAL TO REPLACE PILES ONLY UNDER CRANE TRACKS AS CONDITION
OF PILING AS FULLY REPORTED INDICATES THAT SOON THERE WILL BE NO
SUPPORT FOR DECKING AND PIER WOULD BE USELESS BT 312317

TOT057 YH 1 JUNE

ACT BUSHIPS

6/29/57

ROUTE SLIP

Code of Originating Section		Initialed by		Date
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	BY	DATE		
765	5/15/44	5/15/44	Please return original with Route Slip for file.	
764	5/17/44	5/17/44	Extra copy may be retained.	
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			5/29/44	
764	5/17/44	5/17/44	6725-18/715	

WM V KN NR2852

A SCAR SUIT 291906 MOAT GR94

FROM SUPSHIPS TACOMA WASH
ACT: BUSHIPS

ROUTINE/VL

ROUTINE

RE/

1944 MAY 29 20 14 1944 MAY 29 20

CODE 765 REUR TWX291140MAY REQUOTE SEVEN BERTHS AVAILABLE AT LOCATION
OTHER THAN WHARF NO 4 UNQUOTE X THREE SHIPS CAN BE WORKED EFFICIENTLY
FOUR SHIPS CAN BE WORKED WITH FAIR EFFICIENCY BUT MORE THAN FOUR
SHIPS CAN BE WORKED ONLY WITH MATERIALLY REDUCED EFFICIENCY X
ABSOLUTELY ESSENTIAL THAT WHARF NO 4 BE REPAIRED FOR FULL LENGTH X
IT IS NOT PRACTICABLE AND ECONOMICAL TO REPLACE PILES ONLY UNDER
CRANE TRACKS AS CONDITION OF PILING AS FULLY REPORTED INDICATES
THAT SOON THERE WILL BE NO SUPPORT FOR DECKING AND PIER WOULD BE
USELESS BT 291936

TOD1952/H 29 MAY 1944

WT2007

[Handwritten signature]
[Handwritten initials]

FBI NEW YORK 100-145

Box 4705 EN 25-17/LIG TO EN 25-12/P

FILE EN 25-12/NIS

TAB 10-120

NAVSHIPS (250)
NBS 50
NAVY DEPARTMENT
(Rev. 2-43)

ROUTE SLIP

Code of Originating Section 157rInitialed by 982Date 6/1/44

SECTION CODE	INITIALED		REMARKS
	BY	DATE	
156	<i>[Signature]</i>	6/1/44	Seattle-Tacoma Shipbuilding Corp. - NObs-779 - Clearance and authority for \$650,000 to replace shipworm-infected piling of outfitting pier, used in outfitting of auxiliary aircraft carriers.
765	LIND	6/6	<i>[Signature]</i>
764	R.K.L.	6/6/a	
308	R	6/6	
150	WJ	6/6	
700	<i>[Signature]</i>	6/6	Two for signature.
153	AJW	6/12/44	
764	✓	✓	Please return to 764 after signature
DATE-SERIAL NUMBER			<i>[Signature]</i>
ENCLOSURES	FILE	CROSS FILE	FILE No.
HW	<i>[Signature]</i>		✓
SC	6/12/44		CM/Seattle-Tacoma SB Corp.



WAR PRODUCTION BOARD
WASHINGTON, D. C.

June 9, 1944

IN REPLY REFER TO

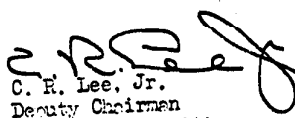
MEMORANDUM

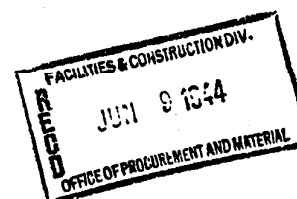
TO: Chief, Bureau of Ships
Navy Department

SUBJECT: Seattle-Tacoma Shipbuilding Corporation
Tacoma, Washington
Navy Case No. 1113

The Facilities Committee hereby approves the subject application in an amount not to exceed \$650,000 to cover replacement of pilings for out-fitting pier #4 at the subject yard.

In order to avoid delay and duplication of effort, a signed copy of this letter must be included in the case folder of this project and made a part of the permanent record.


C. R. Lee, Jr.
Deputy Chairman
Facilities Committee



ADDRESS REPLY TO
OFFICE OF PROCUREMENT AND MATERIAL
Facilities & Construction Div.
AND REFER TO

NAVY DEPARTMENT
WASHINGTON 25, D. C.



PM 250 3a
Case No. 1113

9 June 1944

From: The Chief of Procurement and Material
To: The Chief of the Bureau of Ships
SUBJECT: Proposed expansion of the facilities of Seattle
Tacoma Shipbuilding Corporation, Tacoma, Washington,
in the amount of \$650,000.
Enclosure s: (A) Memo. 5-6-44 fr. BuShips to SecNav. CP&M.
Fac. Com. of WPB.

(B) Memo. 5-9-44 fr. Deputy Chairman Facilities
Committee to Ch. BuShips, (in dup).

1. Enclosure s (A) and (B) are forwarded herewith as
evidence of the fact that the subject expansion has been considered
by cognizant authorities of the War Production Board and Office of
Procurement and Material and has been APPROVED.

F. A. GIPSON
F. A. GIPSON
By direction

QM/Seattle-Tacoma SB Corp. (157r)

assumes, with certain exceptions not pertinent here, the risk of loss of or damage to Government-owned facilities, and the Department has the right to require the Contractor to rebuild or replace any item of such facilities, with reimbursement of the allowable costs so incurred by the Government. However, in view of the substantial nature of the replacement here involved, it has been deemed desirable to obtain prior clearance and authority as herein requested.

9. It is estimated that approximately 75 additional employees will be required for the replacement work here involved. Request for clearance has been filed with the cognizant Area Production Urgency Committee. It is anticipated that after clearance has been obtained, the necessary additional employees can be recruited. No additional employees will be required after the pier is reconstructed.

10. No additional power, water or fuel, or transportation and housing facilities will be required.

11. The proposed project has a direct and important effect upon the conduct of the war. Replacement of the pilings infected by shipworm is essential in order that the Contractor may proceed safely with the outfitting of auxiliary aircraft carriers, and that accidental loss of life, materials and time from collapse of the pier may be avoided. There are no existing facilities which can be condemned, purchased, leased, rented, converted or otherwise utilized at less expense or with greater economy of materials, which will serve the desired purpose, even at some decrease in efficiency. All non-essential items and parts have been removed from the project, which meets the requirements of essentiality for the conduct of the war.

CERTIFICATE: I certify that the proposed replacement of pilings at the estimated cost thereof and on the terms above stated is necessary for the prosecution of the war.

APPROVED June 9, 1944

Deputy Chief of Procurement and Material
By direction of the Secretary of the Navy
and the Director of Purchases, W.P.B.

APPROVED 6-9-, 1944

FACILITIES COMMITTEE OF W.P.B.

Deputy Chairman

W. L. TURNEY
Contracting Officer
Bureau of Ships

RECORDED
JUN 10 1944
OFFICE OF PROCUREMENT AND MATERIALS
BuShips (120)
BuShips (277)
BuShips (760)
BuShips (760c)
BuShips (702)
BuShips (767)

QM/Seattle-Tacoma SB Corp. (157r)

that the removal and replacement of the decking will have to be performed only once. Since creosote treated piling is now available and will be used in making the replacement, it is not anticipated that the above described shipworm infection will recur.

6. The following is an estimate of the cost of replacing the piling in Outfitting Pier No. 4:

<u>Item</u>	<u>Estimated Cost</u>
(a) Creosoted piling (approximately 4,000 piles)	\$ 350,000
(b) Driving piles, cutting off, placing, etc.	100,000
(c) Timber construction, such as tearing up and replacing decking, renewing worn-out decking, removal and replacement of rails, replacement of caps and stringers wherever necessary, etc. Including labor and material	125,000
(d) Maintaining utility service, such as power, gas, light, air, water, whirley trolley, etc., including diver work	25,000
(e) Construction fee	25,000
(f) Contingencies	25,000
Total Estimated Cost	\$ 650,000

7. Since the pier in question represents half the outfitting berths at the yard, the Contractor cannot discontinue operations on this pier without seriously impeding its construction of auxiliary aircraft carriers. Accordingly, it is essential that replacement of the piling be begun immediately. The time required for the completion of this project is estimated to be four months, but this is subject to change since the replacement of piling must proceed concurrently with outfitting work at various parts of the pier and is subject to interference from such work. Since the outfitting load is expected to become extremely heavy after August 1944, the replacement work can proceed most expeditiously if begun immediately.

8. It may be noted that Contract NObs-779 contains the standard form of insurance provision, under which the Government

RECORDED AT THE NATIONAL ARCHIVES

QM/Seattle-Tacoma SB Corp. (157r)

begun by the United States Maritime Commission and transferred, as of 30 September 1942, to the Navy Department, and for further additions to such facilities necessary to enable the Contractor to meet the delivery schedules for auxiliary aircraft carriers being constructed at the yard. By endorsement on reference (d) similar authority and clearances were given for the acquisition by the Government of title in fee simple to certain real estate constituting the site for certain of such additions.

3. Upon completion of the project referred to in paragraph 2, the total cost of the facilities at this yard provided by the Contractor and the Government will be approximately \$15,306,400, of which approximately \$1,800,000 represents the Contractor's investment, and approximately \$13,506,400 will have been expended by the Government, of which the Navy Department will have provided approximately \$7,381,000 and the Maritime Commission the balance. The additional work for which authority and clearance are herein requested will increase the estimated cost of the project to the Navy Department to \$8,031,000.

4. Included among the facilities transferred by the Maritime Commission to the Navy Department was an outfitting pier, designated as Outfitting Pier No. 4, originally completed in January 1942 under a facilities contract between the Maritime Commission and the Contractor at an estimated cost of \$750,000, and now included in Schedule 2 of NObs-779. At the time this pier was constructed, it was not, according to this Bureau's information, possible for the Contractor to obtain creosote treated piling, which is not subject to infection from shipworm, without unduly delaying the construction of the pier. The Maritime Commission was therefore compelled to approve the use of mineralized cell piling, a less effective treatment for resisting shipworm infection.

5. Recently, the Contractor discovered that the piling for Outfitting Pier No. 4, except for piles driven above the 0.00 tide line, were badly infected with shipworm. The pier supports heavy crane loadings and in its present condition is extremely hazardous, so that unless the defective piling is replaced, accidents resulting in loss of life, material and time may be anticipated. While the degree of infection varies, if the existing condition of piles which are now only lightly infected is allowed to continue unremedied, such infection will increase, and such piles will, it is estimated, have to be replaced within one year. It is therefore considered more economical to replace all the infected piling at this time, so

ADDRESS NAVY DEPARTMENT.
BUREAU OF SHIPS

NAVY DEPARTMENT

BUREAU OF SHIPS

WASHINGTON 25, D. C.

REFER TO FILE NO.

QM/Seattle-Tacoma SB
Corp. (157r)mls 6/1/44SHIPBUILDING
FACILITIES
NObs-779MEMORANDUM

6 JUN 1944

FOR THE SECRETARY OF THE NAVY,
THE OFFICE OF PROCUREMENT AND MATERIAL
AND THE FACILITIES COMMITTEE OF W.P.B.

Subj: Clearance and Authority for \$650,000 to Replace Piling
of Outfitting Pier Under Contract NObs-779 with
Seattle-Tacoma Shipbuilding Corporation.

Ref: (a) BuShips memo to SecNav and WPB of 9 Sept. 1942,
QM/Seattle-Tacoma Shipbldg. Corp. (751fo).
(b) BuShips memo to SecNav and WPB of 30 Oct. 1942,
QM/Seattle-Tacoma Shipbldg. Corp. (752fo)lr
10/28/42.
(c) BuShips memo to SecNav, WPB and OP&M of 25 Nov.
1942, QM/Seattle-Tacoma Shipbldg. Corp. (752fo)
lr 11/25/42.
(d) BuShips memo to SecNav and WPB of 22 Jan. 1943,
QM/Seattle-Tacoma Shipbldg. Corp. (152)lr 1/20/43.
(e) BuShips memo to SecNav, OP&M and WPB of 15 June
1943, QM/Seattle-Tacoma SB Corp. over (156d)edt
5-14-43.

1. It is requested that approval be given for the execution
of an amendment to Contract NObs-779 to cover the replacement,
at an estimated cost of \$650,000, of pilings for an outfitting
pier which has become infected with shipworm. Detailed informa-
tion with respect to the proposed project is set forth below.

2. By endorsements on references (a), (b), (c) and (e),
the authority of the Secretary of the Navy and clearances by
the War Production Board and the Office of Procurement and
Material were given for the subject contract, providing for
the completion of an expansion of the shipbuilding facilities
of the Contractor at its yard at Tacoma, Washington, originally

FROM BUREAU OF SHIPS, NAVY DEPARTMENT, WASHINGTON 25, D. C.

SUPERVISOR OF SHIPBUILDING, U. S. NAVY
Seattle-Tacoma Shipbuilding Corporation, Tacoma Division
TACOMA 2, WASHINGTON

L24(00)

AIR MAIL
SEMI-OIL

29 JAN 1944

End-1 (STSC basic ltr dated 29 January 1944 to EUSHIPS via SUPSHIP)
To: Chief of the Bureau of Ships
Subj: Contract NObs-779 - Application to Use Facilities for Repair or Alteration of Vessels under Repair Contracts with Administrator, War Shipping Administration; War Department; and Navy Department.

1. Forwarded.

2. It is requested that early action be taken on basic letter as it has been indicated to the Supervisor of Shipbuilding that certain repair work may be ordered to this activity in the near future.

S. B. Moser
S. B. MOSER
By Direction

CC:
STSC (2)

2030601

QM/Seattle-T. S.	764

SEATTLE-TACOMA SHIPBUILDING CORPORATION

A SUBSIDIARY OF TESS SHIPYARDS CORPORATION

TACOMA DIVISION

FOOT OF ALEXANDER AVENUE

TACOMA 1, WASHINGTON

January 29, 1944

From: Seattle-Tacoma Shipbuilding Corporation
Tacoma, Washington

To: Bureau of Ships, USN, Washington, D. C.

Via: Supervisor of Shipbuilding, USN
Tacoma, Washington

Subject: Contract NObs-779 - Application to used facilities for
repair or alteration of vessels under Repair Contracts
with Administrator, War Shipping Administration; War Department, and Navy Department.

1. Contractor is negotiating contracts for the repair and alteration of vessels with the Navy Department, War Department, and Administrator, War Shipping Administration of the United States of America, under which vessels will be repaired or altered at the Tacoma Plant of the Contractor.
2. The Contractor operates the facilities of said Tacoma Plant under Contract NObs-779. Article 10 (a) of said contract provides as follows:

"Article 10. Use of Facilities and Payment Therefor

(a) The Contractor shall have the right to use each part of the Facilities, as soon as it becomes sufficiently completed to permit use, for any and all work ordered by the Department on a cost-plus-a-fixed fee basis, and for the right to use the Facilities for such work the Contractor shall pay to the Government on or before July 1, 1943, and on or before each July 1 thereafter, the sum of One Dollar (\$1.00). The Contractor shall also have the right to use the Facilities for work other than work ordered by the Department on a cost-plus-a-fixed fee basis, provided that prior to any such use the Contractor and the Department shall have agreed in writing as to the amounts to be paid by the Contractor to the Government for such use, and that the Contractor shall at all times give such priority to work ordered by the Department as the Department shall from time to time require." (Underscoring Contractor's)

3. Contractor respectfully requests the approval of the Bureau of Ships to use the facilities covered by NObs-779 at no cost to the Contractor in the repair or alteration of vessels made under contracts with the Navy Department, War Department and Administrator, War Shipping Administration of the United States of America.

2030601

Buships
January 29, 1944
Page 2

REPRODUCED AT THE NATIONAL ARCHIVES

4. Early action is respectfully requested as the aforementioned repair or alteration contracts with the Navy Department, War Department and Administrator, War Shipping Administration are in the final stages of negotiation.

O. A. TUCKER,
Vice-President and General Manager,


GEORGE F. KACHLEIN, JR.
Assistant General Manager

By Direction

OAT:GFK:L

2030601

TAB 10-122

Code of Originating Section

Initialed by

Date _____

[illegible]

052146

N. W. Gokey

25 FEB 1944

FILE	CROSS FILE	FILE NO.
DATE		PM/Seattle Tacoma S.B.

NAVAL MESSAGE		REPRODUCED AT THE NATIONAL ARCHIVES		MHC:18		NAVY DEPARTMENT	
OM/Seat a Tacoma (761)				2/15/44			
Telephone Ext. No.	3925	ADDRESSEES				MESSAGE PRECEDENCE	
From	BaShips	TO: SUPSHIP SEATTLE-TACOMA SHIPBLDG. COM TACOMA, WASHINGTON				PRIORITY <input type="checkbox"/>	
Released by	N. W. Gokey					ROUTINE <input type="checkbox"/>	
Date	5 FEB 1944	ACTION INFORMATION				DEFERRED <input type="checkbox"/>	
Unless classified RESTRICTED this dispatch will be classified PLAIN.						PRIORITY <input type="checkbox"/>	
If CONFIDENTIAL or SECRET use special blank.						ROUTINE <input type="checkbox"/>	
RESTRICTED						DEFERRED <input type="checkbox"/>	
Indicate by asterisk addressees for which mail delivery is satisfactory.							

052148

Unless otherwise designated this dispatch will be transmitted with DEFERRED precedence. Originator fill in date and time for DEFERRED and MAIL delivery. Date _____ Time _____ G. C. T.

TEXT:

THE BUREAU AUTHORIZES THE USE WITHOUT CHARGE OF NAVY FACILITIES UNDER CONTRACT NOBS-779 WITH SEATTLE TACOMA IN THE CONVERSION OF USS PRESIDENT FILLMORE TO HOSPITAL SHIP FOR ARMY PROVIDED THAT NEW NAVY CONSTRUCTION WORK IS NOT INTERFERED WITH OR DELAYED AND THAT SUCH CONVERSION IS PERFORMED UNDER A COST-PLUS-FIXED FEE CONTRACT OR UNDER FIXED PRICE CONTRACT NEGOTIATED ON BASIS THAT PRICE DOES NOT INCLUDE ANY CHARGE FOR USE OF NAVY FACILITIES X APPROVAL IS LIMITED TO FILLMORE CONVERSION X

THIS SPACE IS FOR ABSTRACT OF PREVIOUS REFERENCES. IF THIS IS A REPLY, REFERENCE NUMBERS OF INCOMING DISPATCH MUST BE SHOWN HERE.

NAV FEB 2 SJ 39

Deliver to Communication Office. Will be returned to File Room after being receipt stamped in Navcom.

U. S. GOVERNMENT PRINTING OFFICE 16-5880

ROUTE SLIP

clw

Code of Originating Section Initialed by Date

Section Code	INITIALED		REMARKS
	BY	DATE	

TO SUPSHIP SEATTLE -TACOMA SHIPBLDG CORP
FROM BUSHIPS 05TWXZ1935 FEB

THE BUREAU IS FORWARDING A DISPATCH AUTHORIZING THE USE OF NAVY
FACILITIES FOR THE CONVERSION OF THE FILLMORE X THE BUREAU
RECOMMEDXXX RECOMMENDS CONVERSION UNDER A COST-PLUS-FIXED FEE
CONTRACT X

REPLY CODE 761 LT CDR N H CLARK

END WA 428 HRH
END TA 808

761

Qm/Seattle Tacoma SB

DATE—SERIAL NUMBER			
ENCLOSURES	FILE	CROSS FILE	FILE NO.
HW	DATE		
SC			

U.S. DEPARTMENT OF THE NAVY
BUREAU OF THE NAVAL STORES

ROUTE SLIP

Code of Originating Section

Initiated by

Date

Serial	Initials	Remarks
308	LIND 2/6	Please return original with Route Slip for file.
		Extra copy may be retained.
765	LIND	2000
306	✓	Carlin Wynn Coop. Carlin Lander advised this OK with him as a past customer of no interference with shipbuilding.
800	✓	See attached Memo LIND
761	LME 2/5/44	
700	✓	SETTLE SETTLEMENTS FOR SETTLEMENT 1008
764	2/7	File - Battle Tacoma - Tacoma - 765 suggested JMT which was sent following recommendation of 306 that conversion contract be on cost + 77 - dispatch sent approving Tillamook conversion - 186.
		COPY RETAINED FOR SHORE FACILITIES FILES
		2-6-44

✓
VALD

GM Battle Tacoma S.B.

TA 80 TO BUS

TA 80 TO WA 429 5 FEB 1944

FROM SUPSHIP TACOMA
TO BUSHIPS
ATTN CAPTAIN P LEMLER CODE 308

RECEIVED
BUREAU OF SHIP
FEB 4 8 07 PM '44

050005 THIS IS RESTRICTED X WITH CONCURRENCE ASTINDMAN SEATTLE TACOMA
SHIPBUILDING CORP TACOMA DIVISION REQUESTS AUTHORIZATION FOR USE
WITHOUT CHARGE NAVY FACILITIES TO UNDERTAKE APPROXIMATELY TWO MILLION
MANHOURS WORK IN CONVERSION OF BSS PRESIDENT FILLMORE TO HOSPITAL
SHIP FOR ARMY X BUREAU AUTHORIZATION FOR SIMILAR USE FACILITIES IN
CONNECTION WITH NAVY AND WAR SHIPPING ADMINISTRATION REPAIR CONTRACTS
NOW PENDING AND PER TELEPHONE INSTRUCTIONS FROM BUREAU TODAY SUPSHIP
FORWARDING LETTER VIA RXX ASTINDMAN RECOMMENDING APPROVAL X
FACILITIES AND LABOR AVAILABLE NOW FOR FILLMORE CONVERSION AND SUPER
VISOR XTER STRONGLY RECOMMENDS AS UNDERTAKING THIS WORK WILL HAVE
BENEFICIAL EFFECT ON NEW CONSTRUCTION BY AB AVOIDING POSSIBLE LAYOFFS
OF PORTION OF OUTFITTING CRAFTS DURING NEXT NINETY DAY PERIOD X TWX
REPLY REQUESTED AS SHIP AVAILABLE X APPROXIMATELY FEBRUARY TENTH

MIN
TOD 0020 LG

CODE OF ORIGINATING SECTION

INITIALED BY _____

DATE _____

SECTION CODE		INITIALED		FILE NO.	ENCLOSURE	SERIAL NO.
BY	DATE				<input checked="" type="checkbox"/> HW <input type="checkbox"/> SC	
765	BW/B	3/27		011 Todd Pacific		3270721
702	HFW	3/20		for recommendation & comment		Bey
768	gpm	4/2/45		Approval recommended		HFW(702)
765	BW/B	4/4		The proposed survey appears to be a purely local proposition and enclosure (A) of the Contractor's letter, submitted as justification, has no connection since the Navy-Maritime Comm. survey was completed almost a year ago. It is understood that the Navy-Maritime survey was limited to welders and the complete survey now proposed may have merit in the same manner as one recently completed on Bureau employees. Decision on reimbursement of cost would appear to be a matter for the Contract Branch - gpm		
764	RT/L	4/5/46				
764A	JPE	4/9				
764D	ARB	4/9				
1701	my	4/11		Don't this a decision for the cost inspector? Bey		
				not a cost matter. If program approved believe		
				that it is a reimbursable expense for		

QM/Todd-Pacific

Section 1701

BUSHIPS END-1 on SupShips, Tacoma,
letter of 22 March 1945, Pa-5(CT)
CVP:HJ, with enclosure.

11 APR 1945

To: The Chief of the Bureau of Supplies and Accounts
(Cost Inspection Service).

Subj: Todd Pacific Shipyards Inc., Tacoma Division,
Chest X-Rays of Employees - approval of
reimbursement for.

1. Forwarded as a matter under the cognizance of
the Cost Inspection Service in determining allowability of
costs under cost-plus-fixed-fee contracts being performed by
the Tacoma Division of the Todd Pacific Shipyards, Inc.

2. It is noted that the basis for requesting
reimbursement for lost time to permit chest x-rays of
employees is based upon the enclosed letter dated 11 February
1944 to Mr. James Lamont, President, Seattle-Tacoma Shipbuilding
Corporation, from Daniel S. Ring, Director, Division of Shipyard
Labor Relations of the U. S. Maritime Commission. The joint
survey undertaken by the Maritime Commission and the Navy
referred to in this letter was supposed to have been completed
almost a year ago and was not understood to be a continuing
program. The Bureau of Ships, therefore, does not consider
that its previous commitment may properly be used as a basis
for recommending reimbursement. The determination as to the
allowability of costs should, therefore, be made by the Cost
Inspection Service in conformity with its current policies.

cc: SupShips, Tacoma

By direction of
Chief of Bureau

SUPERVISOR OF SHIPBUILDING, U. S. NAVY

TODD PACIFIC SHIPYARDS INC. TACOMA DIVISION
TACOMA 2. WASHINGTON

P2-5(CT)GVP:BJ

22 MAR 1945

To: Chief, BuShips
Subj: Todd Pacific Shipyards Inc., Tacoma Division,
Chest X-Rays of Employees - approval of re-
imbursement for.
Ref: (a) TP&I, Tacoma ltr of 28 Feb 1945 to SupShip
and NCI, Tacoma
Encl: (EW)
(A) Two copies of ref. (a).

1. Two (2) copies of ref. (a) are forwarded herewith as Encl. (A).
Advice is requested as to whether the Bureau has any information which would
indicate that a program such as is suggested by ref. (a) would justify the
expense thereof, and as to whether the Bureau has established any policy
with respect to reimbursement for such a program.

By direction of SupShip:

/s/ G. V. Powell

G. V. POWELL

CC:
NCI

TODD PACIFIC SHIPYARDS INC.

A SUBSIDIARY OF TODD SHIPYARDS CORPORATION

TACOMA DIVISION

FOOT OF ALEXANDER AVENUE

TACOMA 1, WASHINGTON

February 28, 1945

From: Todd Pacific Shipyards Inc.
Tacoma Division, Tacoma, Washington

To: Supervisor of Shipbuilding, USN
Tacoma, Washington

To: Navy Cost Inspector, USN
Tacoma, Washington

Subject: Chest X-Rays of Employees at Tacoma Plant of Contractor

Enclosure: (A) Letter dated February 11, 1944, from Daniel S. King,
Director of Division of Shipyard Labor Relations to
Mr. James Lamont.

1. On Tuesday, February 27th, Major Lloyd M. Farner, M. D., of the State Department of Health, Division of Preventative Medical Services, and Dr. C. R. Fargher, M. D., Director of Health for the City of Tacoma, consulted with the Contractor's representative (Mr. Kachlein) for the purpose of offering the services of the State Department of Health and the Tacoma Department of Health in the taking of chest x-rays of its workmen.

2. The general plan presented called for the furnishing by the State and City Health Departments of a portable x-ray machine, operators and films at no cost to the Company. The workmen would be x-rayed during working hours at a scheduled time. Approximately 60 men per hour would be x-rayed and approximately 25 women per hour would be x-rayed. The x-ray films would then be reviewed by the City Health Officers. Those workmen whose chest indicated active respiratory disease or illness, would be asked to report to the City Health authorities for further examination, free of charge. This examination would include an enlarged x-ray of their chest and recommendations as to the proper care of such respiratory disease or illness as the x-ray developed. The only participation which the Company would have in such a program would be to furnish the necessary power outlets, the location within the plant for the portable x-ray units, assist in the scheduling of workmen to have such x-rays taken and assist the State and City Health authorities in the procurement of x-ray films by the use of the Company's priority rating.

3. The question arises as to the right of the Contractor to have said workmen have the x-rays taken on Company time. The Contractor requests approval of the Supervisor of Shipbuilding and the Navy Cost Inspector to allow the workmen to have their chests x-rayed on Company time, the amount of time consumed in so doing to be treated as a part of

3270721

ENCLOSURE (A)

Supervisor of Shipbuilding
Navy Cost Inspector
February 28, 1945
Page two

Ship Costs. In support of said request, the Contractor encloses copy of letter dated February 11, 1944 (Enclosure (A)), from Daniel S. Ring, Director of Division of Shipyard Relations of the United States Maritime Commission.

4. In the fifth paragraph of said letter, it is to be noted that "Both Maritime and Navy have approved as a reimbursable item the time off the men must take to go through the examination." While it is recognized that the letter refers to a more thorough examination than that which is proposed by the State and City Departments of Health, the purpose of making such chest examinations are basically the same.

5. The Health authorities advise that the portable x-ray machine would be available at this Yard in the latter part of April, 1945. The Contractor is making this request at this time in order that proper approval may be secured in ample time.

GEORGE F. KACHLEIN, JR.
Assistant General Manager

GFK 11

3270721

UNITED STATES MARITIME COMMISSION
Washington 25, D. C.

February 11, 1944

Mr. James Lamont, President
Seattle-Tacoma Shipbuilding Corporation
Tacoma, Washington.

Dear Mr. Lamont:

The Maritime Commission and Navy are about to undertake a survey of respiratory illness in shipyards. Several such surveys of other industries, national in scope, have been made in the past by the United States Public Health Service, under whose direction the present study will be conducted.

There has been some apprehension among shipyard workers, especially welders and allied crafts, that their jobs involved the risk of acquiring respiratory diseases such as pneumonia and bronchitis. At one time there was serious concern, long since dispelled, among women welders that the welding arc could produce sterility. We have never ignored any such rumors and have tried always to answer fully all questions involving health or safety of our workers. As you know, our Safety and Health Consultants constantly inspect and report upon working conditions and these same men will participate with the Public Health Service in the survey.

Ten contract yards have been selected by the Maritime Commission and Navy. They represent, we believe, conditions found on all three coasts and on the Great Lakes. Out of a total of some 210,000 workers in these yards, about 5,000 will be given careful medical examinations. The findings will be tabulated by code numbers and no facts on any individual will be divulged without his written consent. The results will not be available to anyone under any circumstances either to support or dispute compensation claims for occupational illness or injury.

Subjects for examination will be chosen by random selection from the shipyard payrolls. There will be no distinction as to race or sex. Since this is a survey of respiratory illnesses, the majority of workers selected will be those exposed to fumes, dust, smoke, etc., such as welders and shipfitters. The collected data will be published as soon as possible.

Both Maritime and Navy have approved as a reimbursable item the time off the men must take to go through the examination. This time will average about one hour for each subject. There will be no discrimination in any way against any man or woman who is not willing to be a subject for this survey. The medical study will cover nose, throat and chest, including x-ray, a check on the eyes and ears, and blood and urine analysis. Working conditions will be studied carefully at the time the medical examinations are being made. They will include air analyses, measurements of temperature, humidity, and air movement, and appraisal of ventilation being used.

The yards selected by the Maritime Commission and Navy for study constitute, we believe, a representative cross-section of our shipyards. They are listed below in the probable order in which they will be visited:

Mr. James Lamont President
Seattle-Tacoma Shipbuilding Corporation -2-

- ✓ J. A. Jones Construction Company, Inc., Brunswick, Georgia.
- ✓ Tampa Shipbuilding Company, Tampa, Florida.
- ✓ Alabama Dry Dock and Shipbuilding Company, Mobile, Alabama.
- ✓ North Carolina Shipbuilding Corporation, Wilmington, N. C.
- ✓ Bethlehem-Kingham Shipyard, Inc., Kingham, Massachusetts.
- ✓ California Shipbuilding Corporation, Los Angeles, California.
- ✓ Moore Dry Dock Company, Oakland, California.
- ✓ Oregon Shipbuilding Corporation, Portland, Oregon.
- ✓ *** Seattle-Tacoma Shipbuilding Corporation, Tacoma, Washington.
- ✓ Missouri Valley Bridge and Iron Company, Evansville, Indiana.

It will take from two to five weeks to complete each yard, depending upon its size and the number of workers. Due to the large number of workers to be examined, the assistance of the yard's medical personnel is highly desirable and your personal and official cooperation is solicited in expediting the survey. Although a portable x-ray machine will be part of our equipment, we should prefer to use the yard's x-ray machine in order to obtain clearer and less distorted chest plates. The necessary x-ray films will be supplied.

We will notify each yard well in advance of the visits by the survey team and send the names and credentials of all participating.

Sincerely yours

/s/ Daniel S. Ring
Director

Division of Shipyard Labor Relations.

*Seattle-Tacoma
Consultant - (name)*

UNITED STATES MARITIME COMMISSION

WASHINGTON

June 4, 1943

Copy

Philip Drinker
Chief Health Consultant
U.S. Maritime Commission
85 Shattuck St.
Boston, Massachusetts

Dear Mr. Drinker:

Following our conversation while in Rochester recently, I will give you a resume of the medical situation in regards to the shipyards in Seattle and vicinity.

You stated you felt the Seattle Tacoma Shipyard Plant located in Seattle was getting inadequate medical supervision. As Medical Director of the Department of Labor and Industries, I worked with this Company for quite a time, trying to get them to improve the situation, and this has been done to a certain extent, but is still very inadequate.

Mr. Lament is President of the Seattle Tacoma Shipyards, and a Mr. Tucker was one of his head assistants in the Seattle Plant, but about 2 or 3 months ago he was transferred to have charge of the Seattle Tacoma Shipyards, located in Tacoma. Mr. Tucker has a brother, who is a doctor in Seattle, and who has had very little industrial experience. However, the doctor, through this influence has had charge of the medical direction of the Seattle Plant, Todd Shipyard, and for a time he was going over to Tacoma to supervise that Plant. It has been reported to me that the doctor was getting \$500.00 from each of the Plants for this supervision, but the rather pitiable part of it, is that he spends so very little time in that particular line of his work.

They do not have a full time doctor in any one of these three Plants, and it is my impression that the Seattle Plant should have at least one, and probably two or three doctors. The Todd Plant could well afford one full time doctor and the Seattle Tacoma Shipyard which employs approximately 30,000 men should have at least three men full time. I believe that our absenteeism could be reduced a great deal if this work were properly supervised.

The Tacoma Plant now has a Dr. Wright, who spends 2 or 3 hours a day in the supervision of that Plant, and he has an assistant who helps him, part time, so this is probably a better condition than in the Seattle Plant. However, before I left the Department of Labor and Industries, I checked with the Tacoma



UNITED STATES MARITIME COMMISSION
WASHINGTON

June 4, 1943

#2

Plant several times and found that the nurses had complete charge of the work and were assuming many responsibilities which they should not have done. We found many complaints of the various doctors due to the fact that nurses had cared for the claimant until the condition had become very severe or complicated and then had referred them to the various doctors.

It seems to me that you would be justified in quite a thorough check being made on these different Plants, and in insisting that some type of direction and adequate supervision be made.

Dr. Farnar can give you some idea as to the present situation, also Dr. E. J. Whitacre, who has inspected these various Plants for the Department of Labor and Industries can give you a very good idea of the inadequacy of the supervision. I wish also to draw your attention to another situation which is to my mind even worse, and that is the Lake Washington Shipyard, located on the East side of Lake Washington, at a small place called Kirkland.

This Plant employs in the neighborhood of 10,000 men, and although they have several nurses, there is only one doctor who goes to the Plant probably one hour every day or two, and checks on some of the cases. As I understand it, he receives no salary for this, but does it as a feeder for one of the Clinics here in Seattle, and this Clinic does not have a high standing in the Medical Profession. None of the doctors belongs to the Association, and their work is not considered standard by the Medical Profession. They have a small office in Kirkland, and keep a comparatively young fellow there, who puts in most of his time at that office, and then goes over to the Plant occasionally for probably an hour every day or every other day. I understand that one of the head doctors of this clinic has some particular pull which enables him to get much of the work.

The difficulty is that they are so far away from any Medical Center, that they should have special medical supervision right on the job, and they should have at least one doctor there all of the time to give the proper service. I think if you will check on their absentee rate, you will find it extremely high, and if any employee does require the services of a doctor, and goes to one other than this young fellow at Kirkland, he has to take practically the full day off from work in order to get to one of the doctors in Seattle. This then, is often followed by 2 or 3 other days before the claimant returns to work. I do not know whether supervision could be handled by one or two



UNITED STATES MARITIME COMMISSION
WASHINGTON

June 6, 1943

#8

men or more, but there certainly should be some arrangements made in the immediate future in an effort to keep these men on the job, and keep up production.

If there is anything further in which I can be of assistance to you, please feel free to contact me at any time. I thought the meeting at Rochester was the finest I have ever attended and one cannot help but be greatly enthused after contacting the type of men who were there and are really doing things in the Industrial Medical World.

With personal regards, I am,

Very truly yours,

W. E. Steele, M. D.

WES:BB



ROUTE SLIP AND OFFICE MEMO

SECTION CODE		INITIALED		ENCLOSURE	FILE NO.	DATE	SERIAL NO.
BY	DATE	BY	DATE	<input type="checkbox"/> HW <input type="checkbox"/> SC			
RN					QM/Todd Pacific		5230480-A
200C	✓		✓				27 MAY 1946
110	Feb 5/23				110 has no record of the letter the Senator referred to - vide figure? (Rel)		
260							
790	Feb 5/29						
701	Feb 5/29						
200	PI 7/29				in Urgan handle?		
110	Feb 6/7				How are we expected to handle letter? Do you have date for reply?		PI 700
100	Feb 10/10				This follows a similar letter prepared by Frank and sent out over the Sec's signature to Sen. Mitchell (Rel)		
243							
FILE							

(Use pencil or ink for Office Memos; use reverse side for extended comments)

Code 110

W/Todd Pacific
78/19-1 (110)

10 JUN 1946

Honorable Warren G. Magnuson
United States Senate
Washington, D. C.

Dear Senator Magnuson:

This is in reply to your letter of May 30, 1946 forwarding a letter received from Local 803 of the International Brotherhood of Boilermakers, Iron Shipbuilders and Helpers, concerning the use of ship personnel for work involved in the inactivation of vessels at Todd-Pacific Shipyard, Inc., Tacoma, Washington.

Not only at the Todd-Pacific Shipyard at Tacoma, but in all shipyards engaged in the ship deactivation program, the regularly assigned personnel accomplish most of the deactivation work. This work is not in the nature of ship repair or conversion work, but is closely analogous to the regularly assigned duties of ship personnel in the maintenance and upkeep of a fleet of ships. One of the prime requisites is a thorough knowledge of the particular vessel being deactivated and, of course, by using the ship's personnel, a great deal of time and expense can be saved in bringing the deactivation program to full accomplishment as quickly as possible.

Although the work of deactivation is being accomplished by ship personnel, the type of work usually carried out by shipyard personnel is still being performed by the regular civilian working force of the particular shipyard wherein the vessel is being deactivated.

I trust that the foregoing information is adequate to serve the purpose of your inquiry. In accordance with your request, the enclosures to your letter are returned herewith.

Sincerely yours,

E.L. Cochran
Vice Admiral, U.S.N.
Chief of Bureau

Enclosures: (2)

United States Senate

Respectfully referred to

with thanks for such favorable consideration as
the communication herewith submitted warrants,
and for a report thereon, to accompany return
of inclosure.

By direction of

U. S. S.

RW
2000 Qm/Lord Pacific

5230480-A

METAL TRADES COUNCIL OF TACOMA AND VICINITY

318 Labor Temple, 15th and Market
Streets, Tacoma 3, Washington

May 15, 1946

Honorable Warren G. Magnuson
United States Senate
Washington, D. C.

Dear Senator:

Some time in February the Tacoma Metal Trades Council wrote you in regard to Navy personnel doing the work of deactivation of ships in the Todd Pacific Shipyard, Tacoma, Division, which we think should be done by civilian personnel. We received a reply from you stating you would do all within your power, and would check with the Navy Department on appropriation matters for deactivation of ships.

To date Navy personnel is doing the bulk of the work. Isn't there something that can be done to return the work to civilians (tax payers) instead of sending them on the rolls of unemployment.

Hoping there is something you can do for us, I remain

Very truly yours,

/s/ Leo Kocher
Secretary

R.G. 19 Bureau of Ships 1946

Box # 1268 QM/Todd Shipys Corp. Vol 1-Vol 4

Confidential Central Correspondence

File: QM/Todd Shipys Corp (Vol 13) Fr 2/11/46 2012

TAB 10-126

TODD PACIFIC SHIPYARDS INC.

TACOMA DIVISION

TACOMA 1, WASHINGTON

May 27, 1946

From: Todd Pacific Shipyards Inc.
Tacoma Division, Tacoma, Washington

To: Bureau of Ships, and
Bureau of Supplies and Accounts

Via: Supervisor of Shipbuilding,
Tacoma, Washington, and
Navy Cost Inspector
Tacoma, Washington

Subject: Method of Prorating Overhead Charges Among the Several Gov-
ernmental Activities Being Carried on at the Tacoma Plant
of Todd Pacific Shipyards Inc.

Enclosure: (A) Area Map of Tacoma Plant as of May 15, 1946, showing
Use by Activities.

(B) Estimate of Unallocated Overhead Charges Requiring
Distribution on a Prorate Basis.

1. Contractor, Todd Pacific Shipyards Inc., Tacoma Division, herein presents the following problems dealing with the distribution of overhead costs of its Tacoma Shipyard with a suggested solution for the consideration and action of the Bureau of Ships and the Bureau of Supplies and Accounts. Both Bureaus are definitely involved in these problems, and joint action by them is respectfully requested.

2. Problems:

- A. How should overhead costs be allocated among the several governmental activities presently being carried on within the Tacoma Shipyard?

The activities carried on at the Tacoma Plant are as follows:

- (1) New ship construction by Todd for the Navy under cost-plus-a-fixed-fee contracts.
- (2) Lump sum master repair contract work by Todd for the Navy.
- (3) Lump sum job order work by Todd for U. S. Naval Station and for Tacoma Group 19th Fleet.

6210071

760

am / Todd Pac. Shipyards

Bureau of Ships, and
Bureau of Supplies and Accounts

May 27, 1946

Page two

- (4) Termination work by Todd under Navy cost-plus-a-fixed-fee contracts.
- (5) Storage, handling and disposal of declared surplus materials (solely originating from Todd's ship construction program under Navy cost-plus-a-fixed-fee contracts) by Naval Storehouse, Tacoma.
- (6) U. S. Naval Station activities carried on at the Tacoma Plant by the Navy.
- (7) Tacoma Group 19th Fleet activities at the Tacoma Plant carried on by the Navy.
- (8) Private contractors using part of Tacoma Plant and facilities to perform Bureau of Yards and Docks contracts for the benefit of the U. S. Naval Station (such area and facilities being used by such private contractors at the instruction of the Navy).

It is to be noted that all activities at the Tacoma Plant are being conducted for benefit of the Navy and at its direction.

- B. Are each of the activities mentioned in Paragraph A above to bear their share of Todd's overhead costs of the Tacoma Plant, and if so, by what means is Todd to recover the costs thereof?

3. Facts:

- A. The present Tacoma Plant of the Contractor was built for the purpose of constructing new vessels for the Navy. The Yard covers over 200 acres of land, has 8 ways, over a mile of outfitting piers, numerous shops, storehouses, buildings, and facilities sufficient in size to operate a 25,000 to 28,000-man Yard.
- B. The ownership of the Tacoma Plant is mixed, Todd Shipyards Corporation owning a part of the land which is under lease to Todd Pacific Shipyards Inc., Tacoma; Todd Pacific Shipyards Inc. owning a part of the facilities and equipment located thereon; and the Navy owning a part of the land and a part of the facilities and equipment located thereon. The largest investment in the Tacoma Plant is that of the Navy.

6210071

Bureau of Ships, and
Bureau of Supplies and Accounts

May 27, 1946

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- C. Up to January 1946, the Tacoma Plant was used primarily in the construction of new Navy vessels under cost-plus-a-fixed-fee contracts, and the overhead costs were distributed between the construction contracts on the basis of direct production labor cost. This method of distributing overhead costs was approved by the Navy and considered by all interested parties as good and sound accounting practice.
- D. In January 1946, in view of the decreasing need of the Contractor for construction area at the Tacoma Plant, and the then estimated March 31, 1946 date for cessation of construction work at the Tacoma Plant by Todd, the Navy commenced to berth Naval vessels at the Tacoma Plant and later to utilize storage and office space in connection with the berthing of Naval vessels. As the use of the facilities by such activity was minor at the time and the remaining estimated period for ship construction was comparatively short, no changes in the method of distributing overhead costs were made. This resulted in no overhead costs being charged for the berthing of such vessels except where shop orders were issued to Todd for work to be performed for such vessels, in which case the shop orders included an overhead charge based upon direct labor costs.
- E. Commencing May 1, 1946, the type of activities carried on at the Tacoma Yard materially altered and resulted in the following:
- (1) The new ship construction program was extended to August 10, 1946, as the Navy instructed Commercial Iron Works to have Todd inactivate CVE-121 at the Tacoma Plant before delivery of the vessel to the Navy, this work to be carried on under a cost-plus-a-fixed-fee subcontract with Commercial.
 - (2) Todd Tacoma undertook sizable repair jobs (inactivation work) for the Navy under the Navy lump sum master repair contract.
 - (3) The total space utilized by Todd to perform (1) and (2) above amounts to approximately fifteen percent of the area of the Tacoma Plant.
 - (4) The Navy put to use a sizable part of the Tacoma Plant to:

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- (a) Berth Commissioned vessels, utilizing all of Piers #1 and #4, and the Commissioning Pier, and a portion of Pier #3,
- (b) furnish space and facilities, namely, ship ways #5, #6 and #7, together with wharves, to Northwest Hauling Company, who are building pontoon caissons for the Navy under a Bureau of Yards and Docks contract,
- (c) store Navy-owned piling on Ship Ways #8 that is government furnished for additional pier facilities to be constructed at a later date in connection with the Navy's berthing and lay-up program,
- (d) store materials and equipment of the inactivated vessels by utilizing all of Warehouse #110 and adjoining open storage area, and Building #61,
- (e) repair and maintain mobile equipment by use of shop building #91, and
- (f) install and operate an officers' mess in Building #39.

These activities of the Navy, which are entirely foreign to the scope of Todd Tacoma facilities contract, NObs-779, and its new ship construction contracts, are being carried on by the Navy, and utilize at present approximately twenty-five percent of the area of the Tacoma Plant.

- (5) Effective May 15, 1946, approximately thirty percent of the Tacoma Plant, consisting primarily of Building #103 and adjacent steel yard, Barbare property and the open storage yards located south of Eleventh Street and facing Alexander Avenue, together with the first floor of Building #80 and a part of the first floor of Building #21 are used by the Naval Storehouse, Tacoma, in a storage, packing and shipping operation for declared surplus materials generated solely from Todd Tacoma's new ship construction program under Navy contracts.
- (6) The balance of the area approximating thirty percent of the Todd Plant area is not now in use.

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- (7) Enclosure (A) is a marked map showing the areas above referred to.
- F. As Todd Tacoma has not been relieved of the responsibility of the general maintenance and security of the entire shipyard area, considerable costs are being incurred by it monthly in the maintenance and security of said Plant. Included in the maintenance cost are the furnishing of utilities such as heat, light, power, water and telephone services to all the activities carried on in the Plant. The maintenance and security costs are a substantial part of the monthly overhead costs of Todd's. Prior to May the overhead costs have been distributed between the various ship construction contracts and job orders, based upon the basis of Todd's direct labor costs. However, with the type of activities having so radically changed in the past month, this basis can no longer be used as it does not reflect a reasonable prorate of said overhead costs between the activities carried on at the Tacoma Plant.
- G. Overhead costs at the Tacoma Plant for several years past have been divided into two general classifications, namely, administrative and general overhead and manufacturing. A general description of the charges made to these classifications is set forth in Enclosure (B).
- H. Prior to April 1, 1946, all supervisory and non-productive labor was treated as indirect labor costs and considered as a part of overhead costs for all purposes. However, since that date with the approval of the Navy Cost Inspector, daily time of each such employee is kept and where possible charged direct to specific contracts, job orders, or activities, thus converting a sizable portion of this labor cost from indirect to direct labor cost. An analysis of the supervisory and non-productive labor costs that remained undistributed after the foregoing distribution indicates in general that the supervisory and administrative indirect labor costs are attributable to the ship construction and repair and job order work, while the manufacturing indirect labor costs are attributable to security and maintenance of the whole Plant area.

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4. Proposed solution to be effective as of May 1, 1946:

A. Method of accumulating overhead costs.

- (1) Accumulate the overhead costs in two general classifications, namely, administrative and general overhead and manufacturing overhead.
- (2) Distribute the administrative and general overhead costs monthly against the several activities and job orders on the basis of direct labor costs computed at new ship construction rates.
- (3) Distribute the manufacturing overhead costs monthly against the several activities and job orders on the following basis:
 - (a) All supervisory and/or administrative labor costs (except for security personnel which includes Guards, Firemen and Safety Dept.) will be allocated on the same basis as administrative and general overhead, namely, on a direct labor basis. (See Par. 4-A(2) above).
 - (b) All costs of Payroll Taxes, Unemployment Insurance, Vacation Expense, Retroactive Pay, Scrap Conservation and Scrap Sales will be allocated on the same basis as administrative and general overhead, namely, on a direct labor basis. (See Par. 4-A(2) above).
 - (c) All costs remaining under manufacturing overhead classification will be allocated on an area basis.
- (4) As the area used in new ship construction, repairs and job order work is the same and the work conducted in that area is intermingled, the share of manufacturing overhead costs attributable to that area will be distributed among the new ship construction, repair and job order work based upon direct labor cost computed at new ship construction rates.
- (5) See Enclosure (B) as an illustration for an average month of the foregoing plan of overhead distribution based upon present operations.

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B. Distribution of overhead as specific charges.

In Paragraph 2-A hereof, Contractor listed the several activities being carried on at the Tacoma Plant. It is proposed that the overhead costs accumulated as outlined in Paragraph 4-A above be charged and reimbursement obtained as follows:

- (1) New ship construction by Todd for Navy - Charge to each ship based upon a direct labor cost distribution between each new ship and reimbursed in accordance with the contract terms.
- (2) Lump sum master repair contract work by Todd for Navy - Charge to each ship based upon a direct labor cost distribution between each ship being repaired. The recovery of these costs are through the payment of lump sum prices of jobs.
- (3) Lump sum job order work performed for the U. S. Naval Station and/or Tacoma Group 19th Fleet by Todd - Charge to each job order upon a direct labor cost basis between each job order of this type. The recovery of these costs are through the payment of the lump sum price of the job.
- (4) Termination work by Todd under Navy cost-plus-a-fixed-fee contracts - Charge to each terminated contract on which final settlement has not been consummated on such basis as the Supervisor of Shipbuilding, Tacoma (Terminations Officer), and the Contractor shall by mutual agreement determine.
- (5) Storage, handling and disposal of declared surplus material (solely originating from Todd's construction program under Navy cost-plus-a-fixed-fee contracts) by Naval Storehouse, Tacoma - Charge to termination costs and distribute and reimburse in the manner as outlined in Paragraph 4-B(4) above.
- (6) U. S. Naval Station activities carried on at Tacoma Plant by Navy - To be charged to, billed and reimbursed by the Navy to the Contractor out of such Navy funds as the Navy Department shall determine.
- (7) Tacoma Group 19th Fleet activities at the Tacoma Plant carried on by the Navy:- To be charged to, billed and reimbursed by the Navy to the Contractor out of such Navy funds as the Navy Department shall determine.

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- (8) Private contractors using part of Tacoma Plant and facilities to perform Bureau of Yards and Docks contracts for the benefit of the U. S. Naval Station (such area and facilities being used by such private contractors at the direction of the Navy) - To be charged to and billed to the Navy and reimbursed to Contractor out of such Navy funds as the Navy Department shall determine.
- (9) In addition to the foregoing, approximately thirty percent of the total area of the Tacoma Plant is idle due to termination of new ship construction work. The overhead costs allocable to this area are to be charged to terminations, and distributed and reimbursement obtained in the manner as set forth in Paragraph 4-B-(4) hereof.

5. Contractor deems that the method of accumulating and distributing overhead costs as specific charges, as set forth in Paragraph 4, will result in a sound and reasonable distribution of the Tacoma Plant's overhead costs among the activities carried on at that Plant, thus allowing each activity to bear its proper share of these costs. Should Todd be relieved of the responsibility of the maintenance and security of any area, the plan is sufficiently flexible to allow for a redistribution of the costs to the areas remaining under the maintenance and security by Todd.

6. Attention is respectfully called to the addressees that should the solution proposed by the Contractor herein be approved, the Navy Department is to determine and arrange for the method of collecting the share of overhead costs chargeable to the U. S. Naval Station, the Tacoma Group 19th Fleet and private contractors working for the Navy. Attention is further invited that the Navy Cost Inspector, Tacoma, has advised the Contractor that pending receipt of instructions from the Bureau of Supplies and Accounts he will exclude from reimbursements under cost-plus-a-fixed-fee contracts overhead costs attributable to the activities of the U. S. Naval Station and the Tacoma Group 19th Fleet, resulting in the Contractor's reimbursement awaiting the direction of the Department.

7. As the prorata for overhead costs for the month of May will be made approximately on June 5, 1946, early action on this matter is respectfully requested to prevent holding such excluded costs in abeyance.

Yours very truly,

TODD PACIFIC SHIPYARDS INC.
Tacoma Division

Ralph L. Dalton
Ralph L. Dalton, Secretary

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RG 19 Gm Todd Pacific

1946

Box 1268

Vol. 3

114-D-7

CODE OF ORIGINATING SECTION

INITIALED BY

DATE _____

SECTION CODE	INITIALED		ENCLOSURE	FILE NO.	SERIAL No.
	BY	DATE	<input type="checkbox"/> HW <input type="checkbox"/> BC		
760					6210071
					BUSHIPS CONTROLLED CORRESPONDENCE THE DUE DATE STAMPED ON THE FACE OF ATTACHED CONTROLLED CORRESPONDENCE INDICATES THE DATE THE REPLY OR ACKNOWLEDGEMENT SHOULD BE MADE TO BUREAU OF SHIPS.
764		6/21			21 JUN 1944
764D					
153	CH	8/12			(153-1569/123)
153	CH	8/15			(153-1569/123)
241MB		8/14			

(Use pencil or ink for Office Memos; use reverse side for extended comments)

SUPERVISOR OF SHIPBUILDING, USN
Todd Pacific Shipyards, Inc., Tacoma Div.
Tacoma 2, Washington

LLO-6(AR)CJH:CY

End-2 on Todd Pacific Shipyards, Inc.,
Tacoma ltr dated 27 May 1946

18 June 1946

To: Bureau of Ships
Bureau of Supplies and Accounts

Subj: Method of Prorating Overhead Charges Among the Several
Governmental Activities Being Carried on at the Tacoma Plant
of Todd Pacific Shipyards Inc.

1. Forwarded.

2. The contractor, Todd Pacific Shipyards Inc., Tacoma Division, has submitted the basic letter as a possible solution to the problems raised by the Navy Cost Inspector regarding the proper methods of overhead distribution pertaining to the Todd Pacific Shipyards. The Supervisor concurs with the Cost Inspector in that there is some question regarding proper allocations of overhead charges, in view of the several Naval activities, other than the contractor's organization, now using the yard. It appears that the various contracts in which the contractor is obligated are not so written as to cover all the questions involved. It is, therefore, believed pertinent that a decision should be made by the various Bureaus involved, as to whether or not the activities at the Tacoma yard, other than the CPFF contracts, are to bear a portion of the contractor's overhead as proposed in his basic letter, and also, if the Bureaus concur with the contractor, that instructions should be issued in order that the contractor may be reimbursed for any such charges.

3. The Supervisor does not believe that any additional cost to the Government, insofar as CPFF Contracts are concerned, is involved. The present maintenance and security costs, etc., would be about the same even though there were no other activities in the yard. Actually due to the other activities being here, the maintenance and security costs now borne by CPFF contracts are less. A considerable portion of the facilities equipment located at the Todd yard has been turned over to the Naval Station and is being maintained by that organization. Guard protection is being provided by the Naval Station covering well over half of the total area of the shipyard, thereby relieving the contractor the necessity for providing guard protection for this area. The contractor is being reimbursed by the ships attached to the Tacoma Group, 19th Fleet for utilities consisting of air, electricity and water and therefore these utility charges do not enter into the question.

4. In view of the above, the Supervisor, therefore, recommends that the maintenance charges for those areas occupied by activities other than those directly connected with Todd Pacific shipyards, be charged to termination costs to be reimbursed in the manner as outlined in paragraph 4 B(4) of the contractor's basic letter. The Supervisor believes that this method

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result in an over-all lower cost to the CPFF contracts; certainly no increased cost. To act favorably on the contractor's proposal would mean that the various Naval activities, now operating in the Todd Pacific Shipyards, would involve a complicated accounting procedure for each activity concerned with all the attendant paper work, additional help and other difficulties involved in the mechanics of the operation.

5. Should the Bureau approve the contractor's proposal, the Supervisor does not believe that a correct basis of charges would be on an "area" basis, unless the "areas" are "weighted" so as to reflect their actual proportion of the maintenance costs. The "weighting" of the areas involved is considered necessary because in certain of those areas the maintenance is negligent as in others it is relatively heavy. For example, those storage areas colored in green in encl (A) of the contractor's letter, cover considerable territory but there is very little to maintain thereon; whereas, the area marked in red requires considerable maintenance.

6. The Supervisor concurs with the Cost Inspector in his belief that the mechanics of overhead distribution necessary to carry out any decisions of the Bureau can be resolved locally.

/s/ H. M. Wallin

H. M. WALLIN

LLO-8(2)

13 June 1946

Enc-1 on TPFI(T) ltr to BuShips and BuSanda,
dated 27 May 1946.

From: Navy Cost Inspector, Todd Pacific Shipyards Inc., Tacoma, Wash.
To : Bureau of Ships, and
Bureau of Supplies and Accounts

Via: Supervisor of Shipbuilding, USN, Tacoma, Washington

Subj: Method of Allocating Overhead Charges Among the Several Govern-
mental Activities Being Carried on at the Tacoma Plant of
Todd Pacific Shipyards, Inc.

1. Forwarded.

2. In accordance with Navy directives, the Cost Inspector has the respon-
sibility for the determination of the amount of overhead to be reimbursed
the Contractor on Navy CFFF contracts at the Tacoma Yard.

3. This determination has been complicated by the utilization of the
Tacoma Yard and the Contractor's personnel and organization by certain
activities such as the U. S. Naval Station, Tacoma Group 19th Fleet, and
Third-Party Contractors working on Navy contracts, over whom the Navy Cost
Inspector has no cognizance.

4. A decision, therefore, is requested from the Bureau as to whether
or not the activities at the Tacoma Yard other than the CFFF contracts,
listed in paragraph 3 above, are to bear a portion of the Contractor's
overhead as proposed in his basic letter, and also, instructions as to
the method whereby the Contractor is to be reimbursed for any such charges.

5. The Cost Inspector is of the opinion that the mechanics of overhead
distribution necessary to carry out any decisions of the Bureau can be
resolved locally.

/s/ W. J. King

W. J. KING

L10-6(2)

13 June 1946

End-1 on TPSI(T) ltr. to BuShips and BuSanda,
dated 27 May 1946.

From: Navy Cost Inspector, Todd Pacific Shipyards Inc., Tacoma, Wash.
To: Bureau of Ships, and
Bureau of Supplies and Accounts

Via: Supervisor of Shipbuilding, USN, Tacoma, Washington

Subj: Method of Prorating Overhead Charges Among the Several Govern-
mental Activities Being Carried on at the Tacoma Plant of
Todd Pacific Shipyards Inc.

1. Forwarded.

2. In accordance with Navy directives, the Cost Inspector has the respon-
sibility for the determination of the amount of overhead to be reimbursed
the Contractor on Navy CPFF contracts at the Tacoma Yard.

3. This determination has been complicated by the utilization of the
Tacoma Yard and the Contractor's personnel and organization by certain
activities such as the U. S. Naval Station, Tacoma Group 19th Fleet, and
Third-Party Contractors working on Navy contracts, over whom the Navy Cost
Inspector has no cognizance.

4. A decision, therefore, is requested from the Bureaus as to whether or
not the activities at the Tacoma Yard other than the CPFF contracts,
listed in paragraph 3 above, are to bear a portion of the Contractor's
overhead as proposed in his basic letter, and also, instructions as to
the method whereby the Contractor is to be reimbursed for any such charges.

5. The Cost Inspector is of the opinion that the mechanics of overhead
distribution necessary to carry out any decisions of the Bureaus can be
resolved locally.

W. J. King
W. J. KING

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CONTROLLED CORRESPONDENCE

DUE DATE *7-9-46*

L10-6(2)

13 June 1946

Enc-1 on TPSI(T) ltr. to BuShips and BuAmdA,
dated 27 May 1946.

From: Navy Cost Inspector, Todd Pacific Shipyards Inc., Tacoma, Wash.
To: Bureau of Ships, and
Bureau of Supplies and Accounts

Via: Supervisor of Shipbuilding, USN, Tacoma, Washington

Subj: Method of Prorating Overhead Charges Among the Several Govern-
mental Activities Being Carried on at the Tacoma Plant of
Todd Pacific Shipyards Inc.

1. Forwarded.
2. In accordance with Navy directives, the Cost Inspector has the responsibility for the determination of the amount of overhead to be reimbursed the Contractor on Navy CPFF contracts at the Tacoma Yard.
3. This determination has been complicated by the utilization of the Tacoma Yard and the Contractor's personnel and organization by certain activities such as the U. S. Naval Station, Tacoma Group 19th Fleet, and Third-Party Contractors working on Navy contracts, over whom the Navy Cost Inspector has no cognizance.
4. A decision, therefore, is requested from the Bureaus as to whether or not the activities at the Tacoma Yard other than the CPFF contracts, listed in paragraph 3 above, are to bear a portion of the Contractor's overhead as proposed in his basic letter, and also, instructions as to the method whereby the Contractor is to be reimbursed for any such charges.
5. The Cost Inspector is of the opinion that the mechanics of overhead distribution necessary to carry out any decisions of the Bureaus can be resolved locally.

K. J. KING

TODD PACIFIC SHIPYARDS INC.

TACOMA DIVISION

TACOMA 1, WASHINGTON

May 27, 1946

From: Todd Pacific Shipyards Inc.
Tacoma Division, Tacoma, Washington

To: Bureau of Ships, and
Bureau of Supplies and Accounts

Via: Supervisor of Shipbuilding,
Tacoma, Washington, and
Navy Cost Inspector
Tacoma, Washington

Subject: Method of Prorating Overhead Charges Among the Several Gov-
ernmental Activities Being Carried on at the Tacoma Plant
of Todd Pacific Shipyards Inc

Enclosure: (A) Area Map of Tacoma Plant as of May 15, 1946, showing
Use by Activities.

(B) Estimate of Unallocated Overhead Charges Requiring
Distribution on a Pro-rate Basis.

1. Contractor, Todd Pacific Shipyards Inc., Tacoma Division, herein presents the following problems dealing with the distribution of overhead costs of its Tacoma Shipyard with a suggested solution for the consideration and action of the Bureau of Ships and the Bureau of Supplies and Accounts. Both Bureaus are definitely involved in these problems, and joint action by them is respectfully requested.

2. Problems:

- A. How should overhead costs be allocated among the several governmental activities presently being carried on within the Tacoma Shipyard?

The activities carried on at the Tacoma Plant are as follows:

- (1) New ship construction by Todd for the Navy under cost-plus-a-fixed-fee contracts

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- (2) Lump sum master repair contract work by Todd for the Navy

- (3) Lump sum job order work by Todd for U. S. Naval Station and for Tacoma Group 19th Fleet

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- (4) Termination work by Todd under Navy cost-plus-a-fixed-fee contracts.
- (5) Storage, handling and disposal of declared surplus materials (solely originating from Todd's ship construction program under Navy cost-plus-a-fixed-fee contracts) by Naval Storehouse, Tacoma.
- (6) U. S. Naval Station activities carried on at the Tacoma Plant by the Navy.
- (7) Tacoma Group 19th Fleet activities at the Tacoma Plant carried on by the Navy.
- (8) Private contractors using part of Tacoma Plant and facilities to perform Bureau of Yards and Docks contracts for the benefit of the U. S. Naval Station (such area and facilities being used by such private contractors at the instruction of the Navy).

It is to be noted that all activities at the Tacoma Plant are being conducted for benefit of the Navy and at its direction.

- B. Are each of the activities mentioned in Paragraph A above to bear their share of Todd's overhead costs of the Tacoma Plant, and if so, by what means is Todd to recover the costs thereof?

3. Facts:

- A. The present Tacoma Plant of the Contractor was built for the purpose of constructing new vessels for the Navy. The Yard covers over 200 acres of land, has 8 ways, over a mile of outfitting piers, numerous shops, storehouses, buildings, and facilities sufficient in size to operate a 25,000 to 26,000-man Yard.
- B. The ownership of the Tacoma Plant is mixed, Todd Shipyards Corporation owning a part of the land which is under lease to Todd Pacific Shipyards Inc., Tacoma, Todd Pacific Shipyards Inc. owning a part of the facilities and equipment located thereon, and the Navy owning a part of the land and a part of the facilities and equipment located thereon. The largest investment in the Tacoma Plant is that of the Navy.

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- C. Up to January 1946, the Tacoma Plant was used primarily in the construction of new Navy vessels under cost-plus-a-fixed-fee contracts, and the overhead costs were distributed between the construction contracts on the basis of direct production labor cost. This method of distributing overhead costs was approved by the Navy and considered by all interested parties as good and sound accounting practice.
- D. In January 1946, in view of the decreasing need of the Contractor for construction area at the Tacoma Plant, and the then estimated March 31, 1946 date for cessation of construction work at the Tacoma Plant by Todd, the Navy commenced to berth Naval vessels at the Tacoma Plant and later to utilize storage and office space in connection with the berthing of Naval vessels. As the use of the facilities by such activity was minor at the time and the remaining estimated period for ship construction was comparatively short, no changes in the method of distributing overhead costs were made. This resulted in no overhead costs being charged for the berthing of such vessels except where shop orders were issued to Todd for work to be performed for such vessels, in which case the shop orders included an overhead charge based upon direct labor costs.
- E. Commencing May 1, 1946, the type of activities carried on at the Tacoma Yard materially altered and resulted in the following:
- (1) The new ship construction program was extended to August 10, 1946, as the Navy instructed Commercial Iron Works to have Todd inactivate CVE-121 at the Tacoma Plant before delivery of the vessel to the Navy, this work to be carried on under a cost-plus-a-fixed-fee subcontract with Commercial.
 - (2) Todd Tacoma undertook sizable repair jobs (inactivation work) for the Navy under the Navy lump sum master repair contract.
 - (3) The total space utilized by Todd to perform (1) and (2) above amounts to approximately fifteen percent of the area of the Tacoma Plant.
 - (4) The Navy put to use a sizable part of the Tacoma Plant to:

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- (a) Berth Commissioned vessels, utilizing all of Piers #1 and #2, and the Commissioning Pier, and a portion of Pier #3,
- (b) furnish space and facilities, namely, ship ways #5, #6 and #7, together with whirlies, to Northwest Hauling Company, who are building pontoon canals for the Navy under a Bureau of Yards and Docks contract,
- (c) store Navy-owned piling on Ship Ways #6 that is government furnished for additional pier facilities to be constructed at a later date in connection with the Navy's berthing and lay-up program,
- (d) store materials and equipment of the inactivated vessels by utilizing all of Warehouse #110 and adjoining open storage area, and Building #61,
- (e) repair and maintain mobile equipment by use of shop building #91, and
- (f) install and operate an officers' mess in Building #39.

These activities of the Navy, which are entirely foreign to the scope of Todd Tacoma facilities contract, NObs-779, and its new ship construction contracts, are being carried on by the Navy, and utilize at present approximately twenty-five percent of the area of the Tacoma Plant.

- (5) Effective May 15, 1946, approximately thirty percent of the Tacoma Plant, consisting primarily of Building #103 and adjacent steel yard, Barbare property and the open storage yards located south of Eleventh Street and facing Alexander Avenue, together with the first floor of Building #80 and a part of the first floor of Building #21 are used by the Naval Storehouse, Tacoma, in a storage, packing and shipping operation for declared surplus materials generated solely from Todd Tacoma's new ship construction program under Navy contracts.
- (6) The balance of the area approximating thirty percent of the Todd Plant area is not now in use.

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(7) Enclosure (A) is a marked map showing the areas above referred to.

- F. As Todd Tacoma has not been relieved of the responsibility of the general maintenance and security of the entire shipyard area, considerable costs are being incurred by it monthly in the maintenance and security of said Plant. Included in the maintenance cost are the furnishing of utilities such as heat, light, power, water and telephone services to all the activities carried on in the Plant. The maintenance and security costs are a substantial part of the monthly overhead costs of Todd's. Prior to May the overhead costs have been distributed between the various ship construction contracts and job orders, based upon the basis of Todd's direct labor costs. However, with the type of activities having so radically changed in the past month, this basis can no longer be used as it does not reflect a reasonable prorate of said overhead costs between the activities carried on at the Tacoma Plant.
- G. Overhead costs at the Tacoma Plant for several years past have been divided into two general classifications, namely, administrative and general overhead and manufacturing. A general description of the charges made to these classifications is set forth in Enclosure (B).
- H. Prior to April 1, 1946, all supervisory and non-productive labor was treated as indirect labor costs and considered as a part of overhead costs for all purposes. However, since that date with the approval of the Navy Cost Inspector, daily time of each such employee is kept and where possible charged direct to specific contracts, job orders, or activities, thus converting a sizable portion of this labor cost from indirect to direct labor cost. An analysis of the supervisory and non-productive labor costs that remained undistributed after the foregoing distribution indicates in general that the supervisory and administrative indirect labor costs are attributable to the ship construction and repair and job order work, while the manufacturing indirect labor costs are attributable to security and maintenance of the whole Plant area.

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Proposed Revision to be effective as of May 1, 1946:

A. Method of Allocating Overhead Costs

- (1) Allocate the overhead costs in two general classifications, namely, administrative and general overhead and manufacturing overhead.
- (2) Distribute the administrative and general overhead costs monthly against the several activities and job orders on the basis of direct labor costs computed at new ship construction rates.
- (3) Distribute the manufacturing overhead costs monthly against the several activities and job orders on the following basis:
 - (a) All supervisory and/or administrative labor costs (except for security personnel which includes Guards, Firemen and Safety Dept.) will be allocated on the same basis as administrative and general overhead, namely, on a direct labor basis. (See Par. 4-A(2) above)
 - (b) All costs of Payroll Taxes, Unemployment Insurance, Vacation Expense, Retroactive Pay, Scrap Conservation and Scrap Sales will be allocated on the same basis as administrative and general overhead, namely, on a direct labor basis. (See Par. 4-A(2) above)
 - (c) All costs remaining under manufacturing overhead classification will be allocated on an area basis.
- (4) As the area used in new ship construction, repairs and job order work is the same and the work conducted in that area is intermingled, the share of manufacturing overhead costs attributable to that area will be distributed among the new ship construction, repair and job order work based upon direct labor cost computed at new ship construction rates.
- (5) See Enclosure (B) as an illustration for an average month of the foregoing plan of overhead distribution based upon present operations.

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B. Distribution of overhead as specific charges

In Paragraph 2-A heretof, Contractor listed the several activities being carried on at the Tacoma Plant. It is proposed that the overhead costs accumulated as outlined in Paragraph 4-A above be charged and reimbursement obtained as follows:

- (1) New ship construction by Todd for Navy - Charge to each ship based upon a direct labor cost distribution between each new ship and reimbursed in accordance with the contract terms.
- (2) Lump sum master repair contract work by Todd for Navy - Charge to each ship based upon a direct labor cost distribution between each ship being repaired. The recovery of these costs are through the payment of lump sum prices of jobs.
- (3) Lump sum job order work performed for the U. S. Naval Station and/or Tacoma Group 19th Fleet by Todd - Charge to each job order upon a direct labor cost basis between each job order of this type. The recovery of these costs are through the payment of the lump sum price of the job.
- (4) Termination work by Todd under Navy cost-plus-a-fixed-fee contracts - Charge to each terminated contract on which final settlement has not been consummated on such basis as the Supervisor of Shipbuilding, Tacoma (Terminations Officer), and the Contractor shall by mutual agreement determine.
- (5) Storage, handling and disposal of declared surplus material (solely originating from Todd's construction program under Navy cost-plus-a-fixed-fee contracts) by Naval Storehouse, Tacoma - Charge to termination costs and distribute and reimburse in the manner as outlined in Paragraph 4-B-(4) above.
- (6) U. S. Naval Station activities carried on at Tacoma Plant by Navy - To be charged to, billed and reimbursed by the Navy to the Contractor out of such Navy funds as the Navy Department shall determine.
- (7) Tacoma Group 19th Fleet activities at the Tacoma Plant carried on by the Navy - To be charged to, billed and reimbursed by the Navy to the Contractor out of such Navy funds as the Navy Department shall determine.

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(8) Private contractors using part of Tacoma Plant and facilities to perform Bureau of Yards and Docks contracts for the benefit of the U. S. Naval Station (such area and facilities being used by such private contractors at the direction of the Navy) - To be charged to and billed to the Navy and reimbursed to Contractor out of such Navy funds as the Navy Department shall determine

(9) In addition to the foregoing, approximately thirty percent of the total area of the Tacoma Plant is idle due to termination of new ship construction work. The overhead costs allocable to this area are to be charged to terminations, and distributed and reimbursement obtained in the manner as set forth in Paragraph 4-B-(4) hereof.

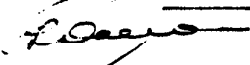
5. Contractor deems that the method of accumulating and distributing overhead costs as specific charges, as set forth in Paragraph 4, will result in a sound and reasonable distribution of the Tacoma Plant's overhead costs among the activities carried on at that Plant, thus allowing each activity to bear its proper share of these costs. Should Todd be relieved of the responsibility of the maintenance and security of any area, the plan is sufficiently flexible to allow for a redistribution of the costs to the areas remaining under the maintenance and security by Todd.

6. Attention is respectfully called to the addressees that should the solution proposed by the Contractor herein be approved, the Navy Department is to determine and arrange for the method of collecting the share of overhead costs chargeable to the U. S. Naval Station, the Tacoma Group 19th Fleet and private contractors working for the Navy. Attention is further invited that the Navy Cost Inspector, Tacoma, has advised the Contractor that pending receipt of instructions from the Bureau of Supplies and Accounts he will exclude from reimbursements under cost-plus-a-fixed-fee contracts overhead costs attributable to the activities of the U. S. Naval Station and the Tacoma Group 19th Fleet, resulting in the Contractor's reimbursement awaiting the direction of the Department.

7. As the prorate for overhead costs for the month of May will be made approximately on June 5, 1946, early action on this matter is respectfully requested to prevent holding such excluded costs in abeyance.

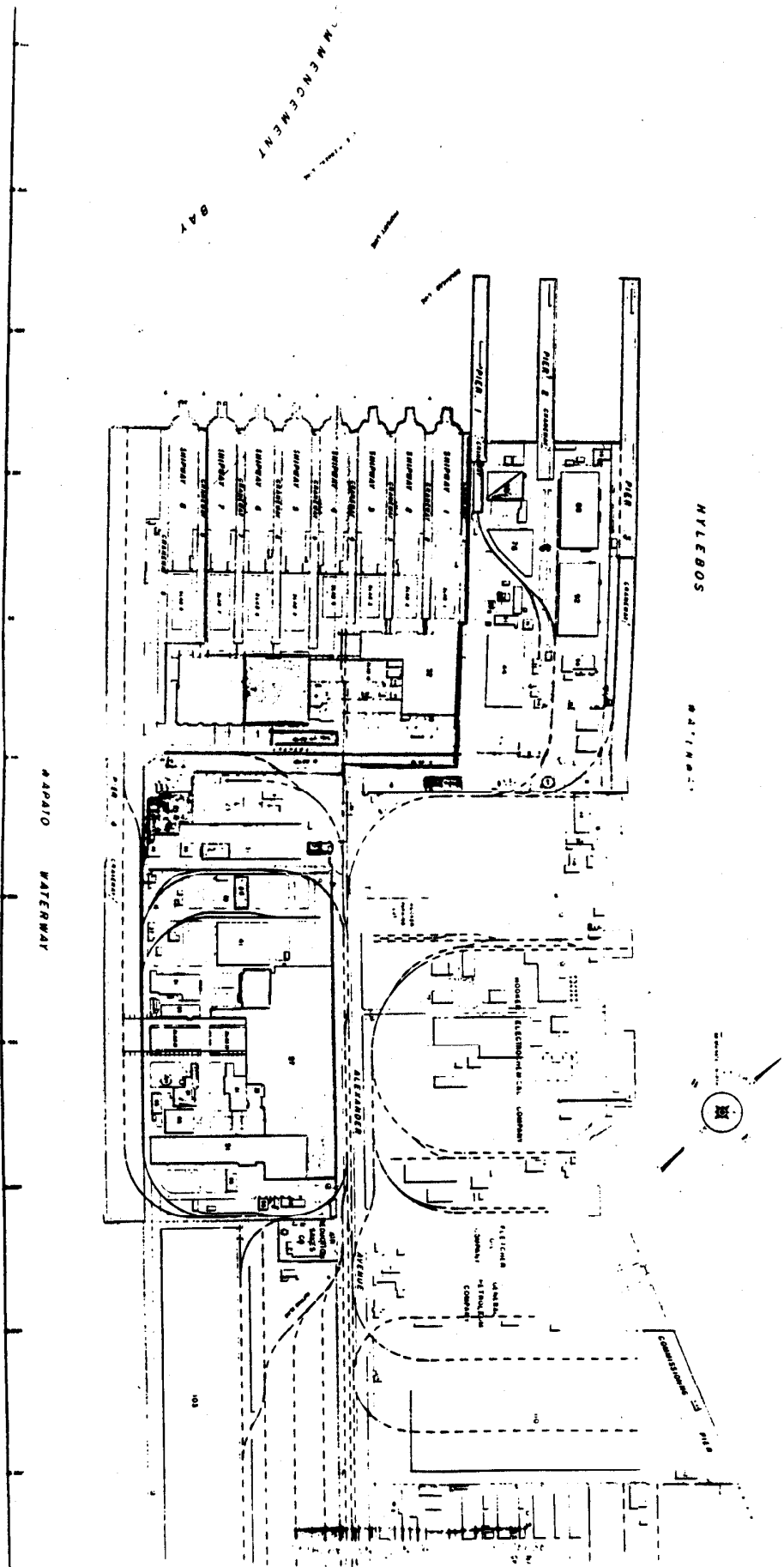
Yours very truly,

TODD PACIFIC SHIPYARDS INC.
Tacoma Division


Ralph Dalton, Secretary

6210071

RLD
CFK:HW 5



ESTIMATE OF UNALLOCATED OVERHEAD CHARGES REQUIRING DISTRIBUTION ON A PROPRATE BASIS

OVERHEAD COSTS TO BE ALLOCATED ON THE BASIS OF DIRECT LABOR		OVERHEAD COSTS TO BE ALLOCATED ON THE BASIS OF AREA OCCUPIED	
LABOR		LABOR	
Administrative Expense: Office Expense, Office Management Expense, Salaries and Clerical help of Tabulating and Payroll Depts., salaries of Office Service Dept., messengers, Chauffeurs, Telephone Operators, Labor and Public Relation Depts., and Retroactive Payrolls	\$19,896.96	Salaries of Plant Superintendent, Assistant and Clerical help	1,672.40
Salaries of Craft Superintendent, Foremen, Assistant Foremen and Craft Office Clerical help including Stores and Warehouse personnel, Hospital Employees, etc.	27,212.50	Salaries of Chief Guards and Assistants and Clerical help	2,101.60
		Salaries of Fire Chief and Assistant and Clerical help	2,839.60
		Salaries of Safety Director, Field Men and Inspectors	1,173.86
		Wages of Guards	2,322.03
		Wages of Firemen	3,780.00
		Labor costs in maintaining all shop and yard equipment, structures, buildings and roadways	\$ 77,820.75
		MATERIAL	
Office Supplies, Office Equipment Repair and Rentals and Depreciation of same, Payroll Taxes and Unemployment Insurance, Vacation Expense, Sales of Scrap, Light, Heat and Water for Administrative Offices		All material costs of maintaining Shop and Plant Equipment, Structures, Buildings, Roadways and Areeaways	10,096.48
Material Maintenance costs for Automobile Fleet		Plant Depreciation, Land Rental, Light, Heat, Water, Power, Etc.	29,637.49
		TOTAL AMOUNT TO BE ALLOCATED ON BASIS OF AREA OCCUPIED	\$117,554.72
TOTAL AMOUNT TO BE ALLOCATED ON BASIS OF DIRECT LABOR	\$99,992.03		

(NOTE: The costs shown in the above schedule, submitted for information purposes only, were calculated on actual operation experience for the months of April and May, 1946, and are considered representative of an average current month's operation).

ENCLOSURE (B)

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